

Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Vol. 2 No. 7

New York, N. Y., February 16, 1959

\$6 A YEAR U. S.
AND CANADA \$25 A YEAR
FOREIGN

P.A.'s Scoff at Sex in Selling, Tell P.W. Infrequent Tries Usually Fail

(See editorial p. 10)

New York—Industrial purchasing agents this week ridiculed recently publicized charges that sex plays a key role in business' buying decisions.

Hundreds of P.A.'s queried by PURCHASING WEEK thus joined other business officials who scoffed at implications given nationwide prominence last month in a C.B.S. radio panel discussion.

Replies to a confidential questionnaire industrial P.A.'s asserted that businessmen who hire sex to help win sales not only usually waste their money but also gamble the reputation of their firms. Chances are such a supplier stands to lose more business than he could ever gain.

Most of the P.A.'s who re-

sponded to the P.W. query scornfully asserted they had little first (or even second) hand knowledge of business deals which the Edward R. Murrow-moderated program implied were negotiated regularly as part of "The Business of Sex."

The program had contended that American business often uses call girls to help promote sales to other firms.

About 75% of the P.A.'s participating in the PURCHASING WEEK survey asserted they had no personal knowledge of any cases where businessmen employed prostitutes to get business. The remaining 25% indicated that they knew or have "heard of" instances in which sex was utilized in an effort to swing a deal, either by direct ap-

(Continued on page 13)

Auto Companies Seeking Glass; Other Industries Also Hit by Strike

Detroit—Purchasing agents for several auto companies in the past few months have donned cloak, dagger, and seven league boots in a great and desperate search for glass.

Some of the secrecy which draped many of their activities was removed last week when negotiators in the four-month strike against Pittsburgh Plate Glass Co. signed conditional memoranda to end the walkout.

Other industries likewise suffered in the nationwide scarcity of flat glass resulting from the shutdown which idled one of the country's two major supply

sources. One of the hardest hit was the furniture industry, with some mirror makers forced to close down completely. Imports from France, Belgium, West Germany, and other countries could not completely fill the gap.

Shortages brought complaints of varying intensity from construction, TV, and storm door-window makers. But perhaps the biggest impact was felt in Detroit where Chrysler was able to maintain only token production for many weeks because of its virtually complete dependence on Pittsburgh Plate.

(Continued on page 25)

Can Maker's Policy Starts 'Price War'

New York—Sparked by American Can Co.'s new pricing policy (f.o.b. at production point), can-making competition has exploded into what some quarters describe as an "all out price war." Others term the results a "pricing hodgepodge."

Industry price lists now carry an estimated 200,000 different prices—virtually one per customer. Industry sources estimate the spread between prices on individual items now stretches from 1-12%.

Can users are eyeing the situation with mixed emotions ranging from delight with cost savings to downright anger. Several top canners contend that the new pricing moves by the can-making triumvirate—Canco, Continental, and National—has spawned "undue competition" in other industries.

The upheaval began last November when Canco's president, William C. Stolk, announced he was taking a "revolutionary ap-

(Continued on page 26)

World Crude Oil Prices Will Affect U.S. Later

New York—World crude oil price cuts aren't expected to have any near-term influence on petroleum products prices here in United States. In fact, there is even talk of additional refiner boosts to offset the recent 5% wage hike given to petroleum workers last month.

(Continued on page 4)

Industrial Buying May Shift Fed's Credit Policy

Washington—The Federal Reserve Board is hinging possible new shifts in money and credit policies to a large extent on industrial buying decisions now being made.

The Fed is going on the assumption that the cost of borrowing

money won't go up appreciably until the latter part of 1959. However, strong pressures are building up in the money markets. The turning point could come much sooner if business leads a general rush for funds to underwrite a quicker-than-anticipated inventory buildup.

Fed officials, assessing the credit outlook from a purchasing view for PURCHASING WEEK, see this as a distinct possibility that could be triggered by rapid rebuilding of steel stocks in anticipation of a strike and price boosts this summer.

One Fed official summed the situation up this way:

"Businesses are all lined up ready to enter the credit market. If they all decide to pull the trigger at the same time, hoping to get in ahead of the next fellow before prices go up and inventory plant and equipment spending starts climbing, then get set for a sharp rise in interest rates."

The question of rising prices is much in the forefront of Fed thinking. Officials readily concede that no matter what they do, the powers they can wield won't be enough to offset further price rises they foresee for later this year.

As evidence, they point to prices already up on such items as steel scrap, copper, and tires. But officials are determined to do what they can to slow the advance.

Thus they are keeping close tabs on industrial buying activities for a clue to what is coming.

The Commerce Department's

(Continued on page 26)

Electrical P.A.'s Ignoring 'Buy Now' Advice

St. Louis—Electrical equipment manufacturers preached the gospel of "buy now to avoid delivery worries in 1961-62" at the Public Utility Buyers Group meeting here last week. But samplings of opinion among purchasing executives attending the tornado-heckled meeting indicated little tendency to rush into the capital goods market at this time.

Discussions with utility P.A.'s here and throughout the country showed them:

- More immediately concerned about the possibility of a steel strike this summer (a number said they are stockpiling 30-90 days' supply of pipe and other steel supplies).

- Closely watching electrical equipment price levels which have indicated a firming trend up from previous discount lows to nearer actual book listings.

- Except for steel, maintaining fairly steady inventory levels.

- Keenly alert to the advantages of aluminum, plastic, and other new materials in areas long dominated by "old-timers" such as copper and steel. In addition to its potentialities in cable and



LEADERS OF ELECTRIC AND GAS industries got together at mid-winter conference of public utility buyers' group, N.A.P.A., Chester F. Ogden, left, Detroit Edison Co.; C. S. Stackpole, American Gas Association; Joseph B. Homsher, first vice president, P.U.B.G., Gilbert Associates; Robert H. Sperring, P.U.B.G. Chairman, Union Electric.

equipment uses, aluminum also was frequently mentioned as a handy construction material.

- Maintaining close watch on labor situations generally, in ad-

dition to the upcoming steel industry negotiations.

Sentiment at the meeting generally focused on a feeling for a

(Continued on page 26)

This Week's Purchasing Perspective

FEB. 16-22

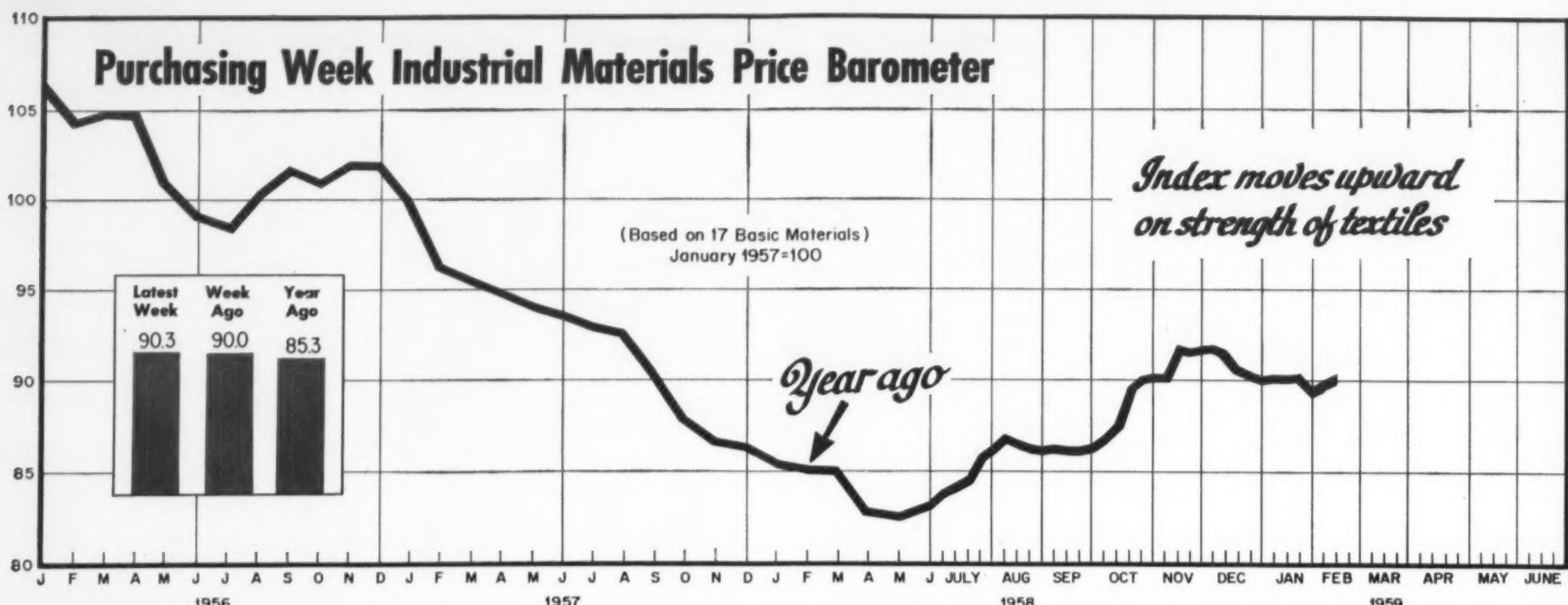
Barely a year ago, in the pit of the recession, the consumer was touted on many fronts as the ultimate answer to the when and how of an upturn. Mr. Consumer commands somewhat similar attention today, but as a key man in important defensive maneuvers against inflation and upward pressures on prices.

Food prices appear to have a fighting chance to drop somewhat this year. But no such luck in the category of shelter and services. That, in the opinion of some observers, places the responsibility for any over-all trend on what happens in the important area of manufactured goods.

Recent developments already have added to the upward push to prices generated by expanding demand. New labor contract settlements are showing up in prices almost as fast as they are signed.

Coal was one of the first. Then came a 5% across-the-board boost for oil refinery workers; and while some oil firms are resisting the urge strongly, others already have started to post higher prices or at least knock off discounts on some petroleum products.

(Continued on page 25)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

FEBRUARY 16-22

Labor developments—both real and anticipated—are behind much of the current strength in the commodity markets.

Strikes, threats of strikes, expected wage boosts, and actual pay hikes all tend to give current buying some added steam.

Just look at some of the recent headlines. Steel and copper buying, rising textile prices, promises of additional fuel hikes—all these can be traced in part to a rapidly unfolding labor picture.

It's sometimes difficult to separate this basically hedge-inspired buying upturn from the more solid rise inspired by the gradual recovery in production and sales.

But both must be considered when formulating future buying policy.

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The hedge buying factor is important because it complicates the basic over-all demand and supply patterns at any given time.

As such it can temporarily disrupt usual supply sources, change lead times for delivery, and to some extent affect prices.

This is true even if you, as an individual, follow a basic policy of avoiding the hedging technique. For you can't operate in a vacuum. As a P.A. you have to consider what other buyers are doing too.

Current steel situation provides an excellent example. **Chances are you already have had to reappraise your steel purchasing policy—even where you have been opposed to hedging.**

The fact is that scare buying by many has created something of a supply problem, one that will mean spotty shortages and longer delivery times.

So whether you like it or not, you are forced into the race to place orders—not because you want to, but just to assure normal supply flow.

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The immediate impact of hedging, however, shouldn't hide the value of knowing the more basic market patterns stemming from production needs.

Putting reliance solely on the more obvious hedging-type factors can often be misleading. Reasons:

- **They're never across-the-board**—Steel notwithstanding, hedging is still the exception rather than the rule. Basic supply and demand analysis is still your best bet when purchasing most goods.

- **They're temporary**—The very nature of hedging makes it a temporary situation, one that is bound to end. And a longer-run comprehensive purchasing policy can never rest solely on such an unstable base.

- **They can lead to mistakes**—Without all pertinent data you're more likely to act on impulse—something that almost never pays off.

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This last point can't be emphasized enough. **Without all data at your fingertips, there's always the inclination to follow the leader.**

The London copper market provides an excellent illustration of what this type of "impulse" buying can result in.

A few weeks ago, overseas buyers of copper flocked to the purchase counter on news of labor troubles in the Congo, a strike threat in Chile, and uneasiness about forthcoming U.S. wage negotiations.

Result: The price of the red metal shot up.

However, when the strike in Chile was averted, copper nosedived \$22.50 per ton in less than one week.

The moral is clear: Protect yourself, yes. **But remember that hedging, which is supposed to reduce risk, can often turn out a bigger risk when done blindly and without a thorough market analysis.**

This Week's Commodity Prices

METALS

	Feb. 11	Feb. 4	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.00	43.00	34.50	+24.6
Steel scrap, #1 heavy, del. Cleve., gross ton	43.00	43.00	31.50	+36.5
Steel scrap, #1 heavy, del. Chicago, gross ton	44.00	39.00	39.00	+12.8
Aluminum, pig, lb	.247	.247	.26	- 5.0
Secondary aluminum, #380 lb	.218	.218	.215	+ 1.4
Copper, electrolytic, wire bars, refinery, lb	.296	.296	.245	+20.8
Copper scrap, #2, smelters price, lb	.243	.243	.175	+38.9
Lead, common, N.Y., lb	.115	.12	.13	-11.5
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.70	+ 5.7
Tin, Straits, N.Y., lb	1.02	1.015	.920	+ 9.9
Zinc, Prime West, East St. Louis, lb	.115	.115	.10	+15.0

FUELS

Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.25	-11.1
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.75	-13.8
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.70	-20.4
LP-Gas, Propane, Okla. tank cars, gal	.055	.055	.05	+10.0
Gasoline, 91 oct. reg, Chicago, tank car, gal	.115	.115	.120	- 4.2
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.12	.12	.12	0
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0

CHEMICALS

Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut, oil, inedible, crude, tanks, N.Y. lb	.208	.205	.136	+52.9
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.163	.16	.184	-11.4
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.85	9.85	9.60	+ 2.6
Shellac, T.N., N.Y. lb	.30	.31	.33	- 9.1
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.073	.074	.079	- 7.6
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

PAPER

Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	- 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	23.00	23.00	17.00	-35.3

BUILDING MATERIALS

Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.29	4.29	4.42	- 3.0
Glass, window, single B, 40" bracket, box, fob N.Y.	7.90	7.90	7.09	+11.4
Southern pine lumber, 2x4, 8x8, trucklots, fob N.Y.	120.00	119.00	113.00	+ 6.2
Douglas fir lumber, 2x4, 8x8, carlots, fob Chicago	134.00	134.00	112.00	+19.6

TEXTILES

Burlap, 10 oz, 40", 100 yd	10.55	10.60	10.25	+ 2.9
Cotton, middling, 1", N.Y., lb	.357	.357	.36	- .8
Printcloth, 39", 80x80, N.Y., spot, yd	.185	.182	.175	+ 5.7
Rayon, satin acetate, N.Y., yd	.258	.258	.288	-10.4
Wool tops, N.Y. lb	1.425	1.415	1.625	-12.3

HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.	.205	.20	.158	+29.7
Rubber, #1 std ribbed smoked sheets, N.Y., lb	.304	.302	.262	+16.0

Materials Handling Equipment Sales Beginning to Rise, Prices May Firm

If Industrial Output Continues to Climb, Better Business (12%) Forecast for Remainder of Year

Pittsburgh—Buyers of materials handling equipment around the country are beginning to step up their purchases. Prices could firm a bit as demand picks up and the trend toward more efficient equipment continues.

That's the outlook as reported to PURCHASING WEEK by L. West Shea, managing director of the Materials Handling Institute.

If industrial output continues to climb slowly, P. A.'s are expected to respond by increasing their purchases of materials handling equipment rather steadily throughout the remainder of the year. Preliminary reports indicate that the first six weeks in 1959 show a decided jump in orders over the year-ago level.

And, if total output meets current expectations in 1959, sales of materials handling equipment will jump some 12% over 1958, with a major portion of the boost taking place in the second half of the year.

That would put order bookings of materials handling equipment this year back at the 1957 level, (see chart above right). Total bookings in 1958 fell some 12% below 1957, averaging out at 109% of the 1954 average. This year should see bookings rise to near the 1957 total of 124 (1954 equals 100).

The decline in activity in materials handling equipment last year was a delayed reaction from the recent recession. The recession low, in fact, came in September of 1958, some five months after total industrial production hit its recession bottom.

Pricewise, reports indicate that some firming later in the year can be expected. For as one producer put it, "if our costs go up, our prices must."

But the necessity in many industries for cutting costs of production, and advantages of power

American Raises Speed; Emery Cuts Rates 10%

New York—Two air freight operators announced speedups and other service improvements last week.

American Airlines said it hopes to establish the world's fastest all-cargo service by converting ten of its DC-7B passenger planes to cargo aircraft.

Emery Air Freight, expanding its international air freight forwarding facilities, ordered 10% rate cuts on small (under 50 lb.) shipments from Europe to the U. S. and Canada.

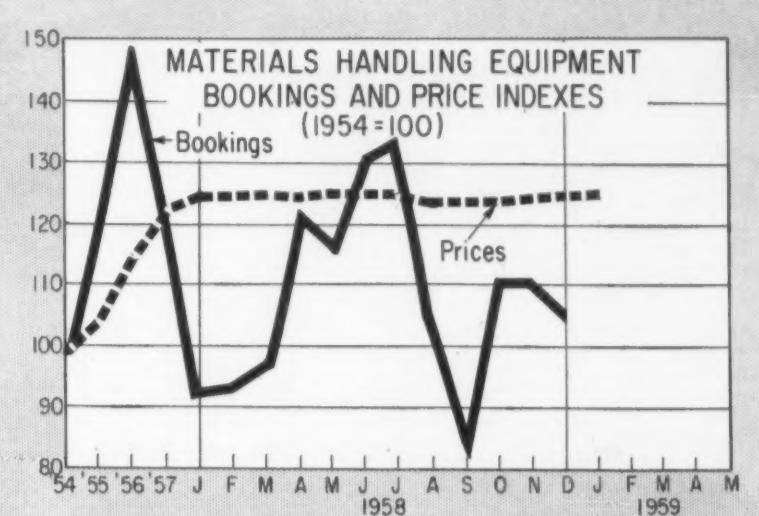
American said conversion of its 350 m. p. h. propeller-driven passenger planes, to be crowded off passenger routes by faster jet and turbo-prop airliners, will double its cargo carrying capacity and boost its claim as the largest air freight operator in the world. The airline said it thus will be the first to have a cargo plane capable of non-stop transcontinental flights regardless of weather conditions.

Emery said its expansion of services are designed to keep pace with jet-age speed.

William Fisher, market analyst of the Materials Handling Institute, stated that, "with space at a premium, if you can narrow an aisle from say eight to six feet, it may save the cost of building a new warehouse."

Fisher added that automation holds the key to wider use of materials handling equipment. So the immediate future of the industry is linked to capital expenditures, he explained.

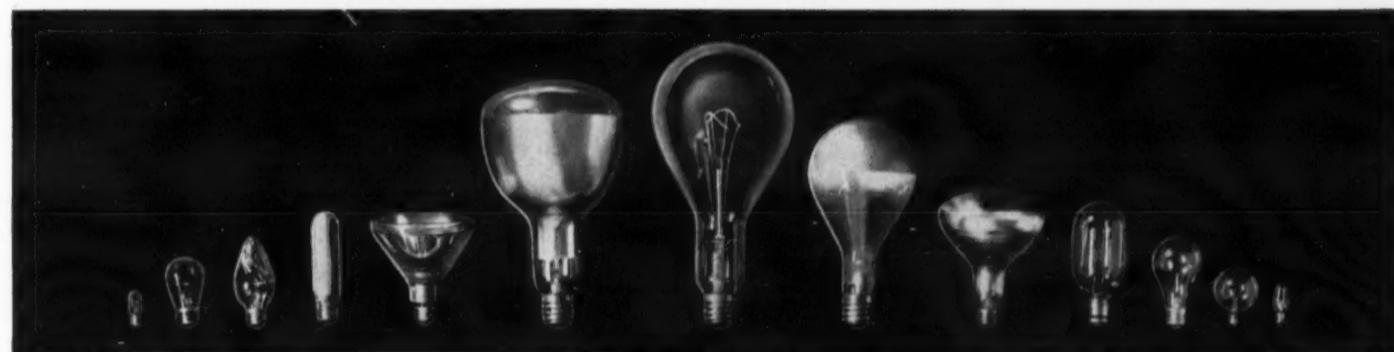
This year's show of materials handling equipment in Cleveland will utilize seven acres of exhibition space. The latest in all types of equipment from fork lift trucks to dock conveyors will be displayed June 9-12.



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F8T5	F25T12
F14T12	F30T8
F15T8	F40T12
F15T12	F90T17

RAPID START

FC8T9	F36T12/HO
FC12T10	F48T12/HO
FC16T10	F64T12/HO
F30T12/RS	F72T12/HO
F40T12/RS	F96T12/HO

HIGH OUTPUT

F36T12/HO	F24T12
F48T12/HO	F36T12
F64T12/HO	F72T8
F72T12/HO	F42T6
F96T12/HO	F48T12
	F96T8

SLIMLINE

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F36T12	F72T8
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F64T6	F96T12

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This Week's

Washington Perspective

FEB. 16-22

Economic issues between Republicans and Democrats are being sharpened and heightened as they haven't been since New Deal days in preparation for the bitter struggle for control of the White House after next year.

President Eisenhower made economic issues the political issue with his determination to have the Administration investigate inflation and national goals. Eisenhower is pitching his main campaign strategy on dramatizing the dangers of inflation and of wages pushing up costs.

Democrats are reacting—proposing to open the issue up even wider. They're planning their own price investigations but will spin off from there with probes into every aspect of business. Democrats feel that the price question is very broad—that it underlies just about all economic activity and therefore gives them the perfect lever to move wherever they want in their investigations.

Hence pressures are mounting, pushing the parties further from the middle of the road toward their traditional positions—Republicans to a more "conservative" stance, Democrats into a more "liberal" one.

• • •

This situation appeals to those politicians in both parties who have been complaining that the issues between the two weren't sharp and clear enough.

Take a look at the Democrats first. They're putting together a more aggressive program all down the line: more spending, more and better defense, faster growth in the economy, more vigorous and flexible foreign policy.

Now take the Republicans. They've shaken off the shock following last year's election debacle. The Administration is cracking the whip to bring G.O.P. dissidents into line on the President's balanced budget, his call for less government direction of the economy, and more reliance on local initiative to meet social problems.

It's against this background of a head-on collision over economic issues that you should view the Democratic-controlled Joint Economic Committee's upcoming investigation into inflation, (see page 22).

The strategy is to make the committee's activities the pivot around which the campaign against Ike will be launched.

Democrats are concerned at the manpower the Administration is assembling for its price investigations.

Vice President Nixon is heading up the big one, and he plans to call in many businessmen as advisers.

Raymond Saulnier, chairman of the Council of Economic Advisers, who is leading another to look at the impact of government programs on inflation, will be able to tap the executive agencies for his staff.

And Eisenhower is looking outside government for people to conduct a study of what should be the long term U.S. goals.

To counter this, the Democratic leadership is mobilizing congressional committees around the joint committee to conduct its campaign. Sen. Estes Kefauver will take administered prices; Rep. Emanuel Celler will attack concentration in business; Rep. Wright Patman wants to look into finance and banking.

These groups will feed their findings to the joint committee which will work them into its overall study. At the same time the joint committee will be looking into the same fields, carving out separate areas for itself.

The program is still in the process of being firmed up and won't be laid out until the committee makes its report March 1 on Eisenhower's economic report.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,363	2,288*	1,445
Autos, units	117,124	119,678*	109,028
Trucks, units	25,142	24,938*	19,481
Crude runs, thous bbl, daily aver	8,025	8,140*	7,325
Distillate fuel oil, thous bbl	15,009	14,972	12,045
Residual fuel oil, thous bbl	6,761	7,600	7,431
Gasoline, thous bbl	26,931	27,514	26,047
Petroleum refineries operating rate, %	83.2	84.5	80.1
Container board, thous tons	151,949	141,572	109,426
Boxboard, thous tons	146,422	152,254	134,623
Paper operating rate, %	87.7	90.0*	86.5
Lumber, thous of board ft	225,449	233,137	221,176
Bituminous coal, daily aver thous tons	1,425	1,334	1,353
Electric power, million kilowatt hours	13,292	13,151	12,289
Eng const awards, mil \$ Eng News-Rec	346.2	248.2	208.7

*Revised

Purchasing Week's Wholesale Price Index



SMALL INCREASES were reported in prices of pumps and compressors, material handling lines, fans and blowers, and industrial valves. But for the most

part these slight increases were offset by declines in residual fuel oils, lumber millwork, wire and cable, metal containers, and abrasive grinding wheels.

World Oil Prices To Hit U.S. Later

(Continued from page 1)

The divergent price movements—the prices paid by refiners to producers and the prices asked by refiners—stem from two separate market developments.

The bullish American petroleum product picture is due to a combination of factors on the business scene:

• Wage costs—as noted above, oil refiners are under increasing pressure to pass on the recent 5% pay boost.

• Demand—Petroleum buying by consumers here is in steady uptrend. In fact, stocks of some items have gone way down. Distillates, in particular, are below what is considered a normal working level.

• Strikes—Work stoppages at two large refiners have already affected output of both gasoline and heating oils.

All these are exerting a steady upward pressure. They are strong enough to more than offset the tendency for lower prices that would normally stem from weakening world crude quotations.

Nevertheless, the world crude price and supply situation bears watching. For in the longer run, the price of crude paid by refiners is bound to have some influence on American prices.

Here's how this world crude picture shapes up at this time:

Price cuts have been general. They have been noted here, in Venezuela, and in the Mid East. All are the result of a growing oil glut.

Reports of discounts in the Mid East further point to the growing over-supply and the weakening international price structure. Discounts to Japanese buyers could presage some general price cuts too.

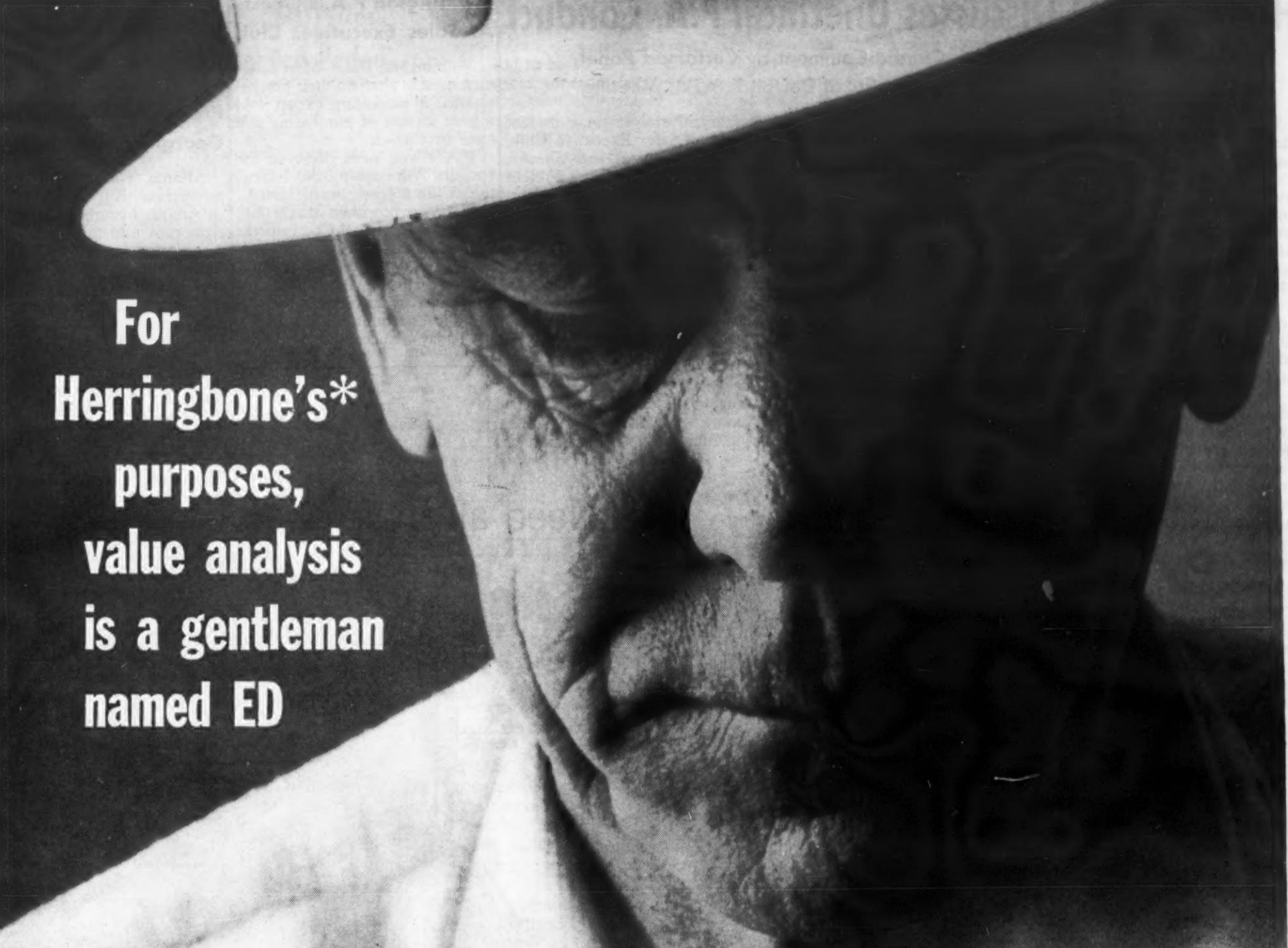
Correction

New York—The United Rubber Workers has picked the U. S. Rubber Co. as its first target in negotiations scheduled to start soon. Contracts in the rubber industry begin expiring April 9.

Because of a typographical error, a story (p. 1) in the Feb. 9 issue of PURCHASING WEEK incorrectly stated that the first contract deadline for rubber was Aug. 9.

This Month's Industrial Wholesale Price Indexes

Item	Jan. 1959	Dec. 1958	Jan. 1958	% Yrly Change
Cotton Broadwoven Goods...	95.6	95.5	96.6	- 1.0
Manmade Fiber Textiles.....	96.6	96.7	98.9	- 2.3
Leather	112.6	112.5	102.9	+ 9.4
Gasoline	94.8	94.4	99.2	- 4.4
Residual Fuel Oils.....	73.5	74.3	91.7	- 19.8
Lubricating Oils	96.7	96.7	105.9	- 8.7
Inorganic Chemicals	102.2	102.0	100.8	+ 1.4
Organic Chemicals	99.6	99.3	100.3	- 0.7
Prepared Paint	103.3	103.3	103.4	- 0.1
Tires & Tubes.....	102.1	102.5	102.1	0
Rubber Belts & Belting.....	103.9	103.2	99.1	+ 4.8
Lumber Millwork	100.9	101.4	99.2	+ 1.7
Paperboard	100.0	100.0	100.1	- 0.1
Paper Boxes & Shipping Containers	101.9	101.9	100.8	+ 1.1
Paper Office Supplies.....	101.2	101.2	101.2	0
Finished Steel Products.....	109.3	109.2	106.2	+ 2.9
Foundry & Forge Shop Products	106.2	106.1	105.2	+ 1.0
Non Ferrous Mill Shapes.....	94.8	94.8	92.6	+ 2.4
Wire & Cable	88.4	89.2	87.6	+ 0.9
Metal Containers	106.2	108.3	103.6	+ 2.5
Hand Tools	109.0	108.8	105.7	+ 3.1
Boilers, Tanks & Sheet Metal Products	99.3	99.2	99.5	- 0.2
Bolts, Nuts, etc.....	107.0	107.0	109.6	- 2.4
Power Driven Hand Tools....	108.3	107.5	103.7	+ 4.4
Small Cutting Tools.....	106.0	106.2	107.6	- 1.5
Precision Measuring Tools...	106.1	106.1	106.1	0
Pumps & Compressors.....	110.9	109.4	104.7	+ 5.9
Industrial Furnaces & Ovens.....	115.9	115.9	111.3	+ 4.1
Industrial Material Handling Equipment	104.2	103.8	103.8	+ 0.4
Industrial Scales	104.8	104.8	104.8	0
Fans & Blowers	105.1	104.0	103.2	+ 1.8
Office & Store Machines & Equipment	103.3	103.3	103.1	+ 0.2
Internal Combustion Engines.....	103.7	103.7	103.4	+ 0.3
Integrating & Measuring Instruments	114.7	114.4	108.9	+ 5.3
Motors & Generators.....	104.1	104.1	102.7	+ 1.4
Transformers & Power Regulators	101.5	101.5	101.2	+ 0.3
Switch Gear & Switchboard Equipment	104.6	104.6	104.2	+ 0.4
Arc Welding Equipment.....	105.0	105.0	102.4	+ 2.5
Incandescent Lamps	110.0	110.0	110.6	- 0.5
Motor Trucks	108.7	108.7	105.9	+ 2.6
Commercial Furniture	105.5	105.5	104.9	+ 0.6
Glass Containers	106.3	106.3	106.3	0
Flat Glass	99.6	99.6	100.0	- 0.4
Concrete Products	102.4	102.2	101.5	+ 0.9
Structural Clay Products.....	105.7	105.4	103.1	+ 2.5
Gypsum Products	104.7	104.7	100.0	+ 4.7
Abrasive Grinding Wheels ..	98.7	99.2	99.7	- 1.0
Industrial Valves	104.9	104.4	102.5	+ 2.3
Industrial Fittings	106.9	106.9	104.1	+ 2.7
Anti-Friction Bearings & Components	93.6	93.6	100.3	- 6.7



For Herringbone's* purposes, value analysis is a gentleman named ED

Or Joe, or Sven, or whatever the name of the man is in your organization whose opinion on wire rope you most respect. You can take all the value analysis forms ever made and fill them out and get some pretty promising answers. The straightest and clearest answer you'll ever get is from the head gentleman who *works* with the rope; the same man who comes back to you and tells you that the rope he works with *doesn't work*.

We take this stand because the new Roebling Herringbone is championed by men who work with it—the first to feel the impact of a wire rope's success or failure—and the first to tell you about either.

Roebling Herringbone—the two-ropes-in-one rope—is doing things that construction operators find hard to believe—but love to admit. It has prompted a series of some of the nicest testimonials you ever saw.

When you come right down to it, their satisfaction is twofold; after all they are working with both a Lang lay and regular lay rope in one. So they are getting the best that both types of rope construction have to give...and that's plenty.

If you want to write us and get some pure, unadulterated field reactions, opinions from men who count, just drop a line to Wire Rope Division, John A. Roebling's Sons Corporation, Trenton 2, New Jersey. With these, we'll take the liberty of sending you the complete information on the rope that makes value analysis a sure thing by the mere specifying...Roebling Herringbone.

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One pair of regular lay strands provide superior stability.

Hidden Panel Discusses Unethical P.A. Conduct

Dishonesty Undergoes Much Candid Comment by Curtained Panel Composed of Salesmen and Purchasers at Detroit P. A. A. Meeting

Detroit—Where do you draw the line, frequently fine, between business custom and unethical conduct in the buyer-seller relationship? Detroit purchasing executives conducted a unusual program in a serious attempt to clarify the issue, especially regarding gifts, gratuities, and entertainment.

A concealed panel gave some straight-forward answers to nearly 100 attentive members of the Detroit Purchasing Agents Association at its Jan. 29 session.

Only the moderator, P.A.A.D. Education Committee Chairman Arthur Redden, remained visible on the platform as questions concerning gifts, luncheons, entertainment, and dishonesty underwent candid comment by the curtained panel of two purchasing agents and two salesmen.

Token Christmas Gifts

The hidden "witnesses" agreed that the question of gifts during the Christmas season called for definition of an acceptable pattern of behavior. While unanimous that Christmas gift giving is an ordinary facet of American business and that gifts are effective sales tools, the panel members suggested that:

- Company sales policy regarding should be consistent with purchasing policy.
- A definite policy of price limitation was desirable.
- Gifts be only token in character.
- Such giving should be based on appreciation and not future obligation.
- A company policy of refusing gifts often puts the buyer "on the spot" and business sometimes suffers.

One Cocktail Is Enough

Luncheon dates, where the buyer is a guest of the salesman, are often made for time-saving purposes and provide an easy opportunity to discuss business problems the panel agreed. While conceding such over-the-table meetings are legitimate "purchasing tools," the panel cautioned, however:

- Exercise restraint expense-wise in line with budget and company policy.
- A regular weekly luncheon engagement with a particular vendor is objectionable.
- One cocktail is enough on such occasions.
- Observe the regular lunch hour.

Sporting Event Tickets O.K.

The practice of entertaining buyers also drew unanimous approval, again, discretion was urged. Also okayed were gifts of tickets to sporting events—but only at company expense. The panel turned thumbs down on solicitation of such tickets by buyers, but all agreed that invitations to annual company parties were acceptable.

The question of social entertainment on a private level drew a split opinion.

An issue raised by the recent C.B.S. Radio program discussion on the use of "call girls" in business did not come up during the entire program.

Throughout the entire discussion during which the various questions were placed before the panel by the moderator, a company's right to set a policy for its purchasing department was not questioned.

Unmasked at the conclusion of the meeting, the panelists were revealed as P.A.A.D. president Jack Ruff, director of purchasing for American Blower Division of American Standard &

Sanitary; Carter Justin, president of Detroit Sales Executive Club, and vice president and director of sales, Kramer Bros. Freight Lines, Inc.; Mike Milleken, purchasing agent, Goddard & Goddard; and Al Beste, director of fuel sales, Doenig Coal Co.

Revealing identities at the conclusion of the program came as a surprise. The concealment had been planned to promote uninhibited discussion.

Wilmington P.A.'s Guests At Sales Executives Club

Wilmington, Del.—Most salesmen need to sharpen their presentations, a marketing expert told a joint session of purchasing and sales executives.

P.A.'s who were guests at the January Wilmington Sales Executives Club session, heard John L. Gillis, vice president marketing, Monsanto Chemical Co., criticize salesmen. He contended only one out of four who call on P.A.'s has a good delivery. Poor presentations lead to firing of salesmen and a lost account, Gillis said.

"Today's successful salesmen

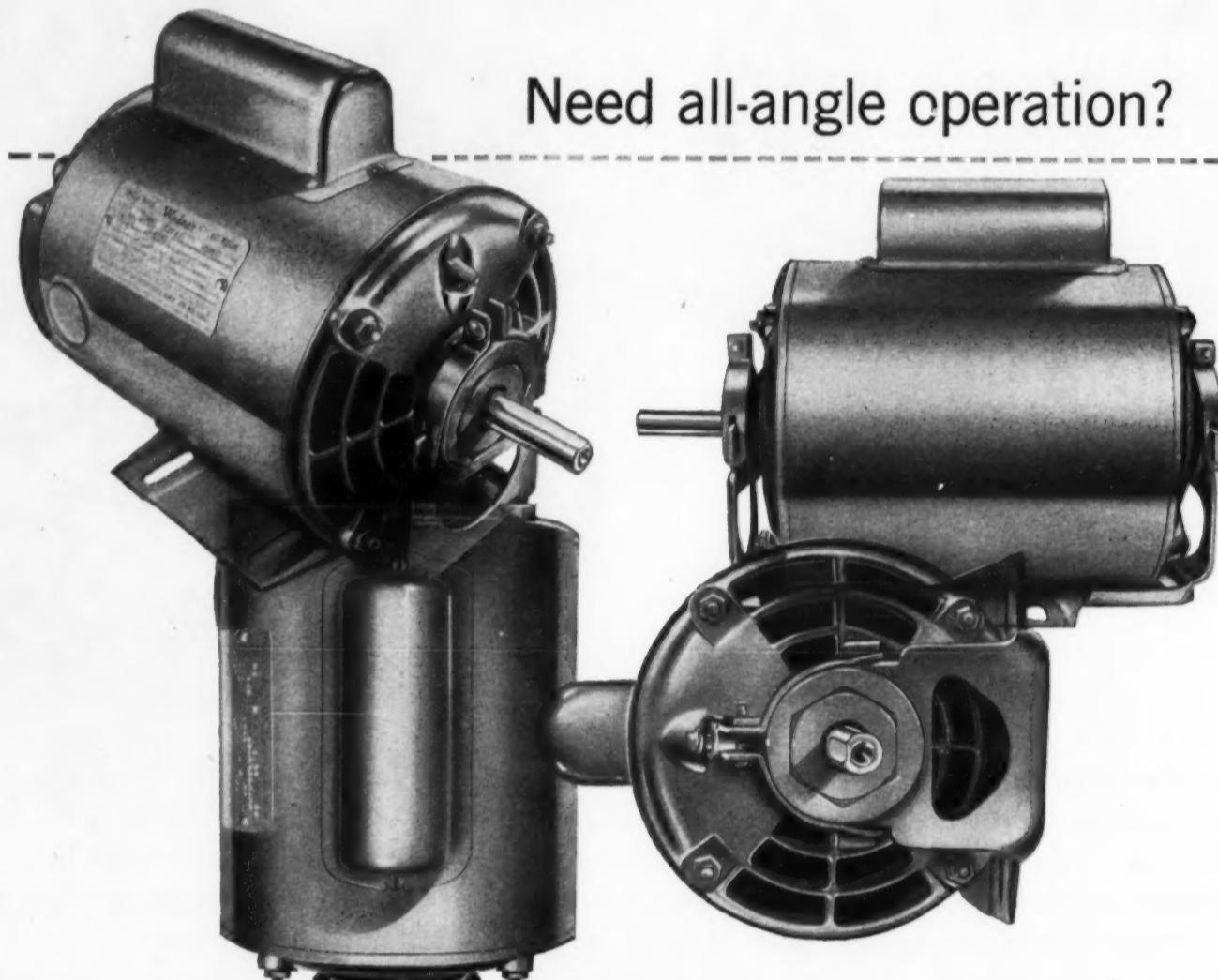
should understand the buyer's business. He should have a specific objective with each call and he should have valid and planned arguments," Gillis said.

Production Up this Year Georgia P.A.'s Learn

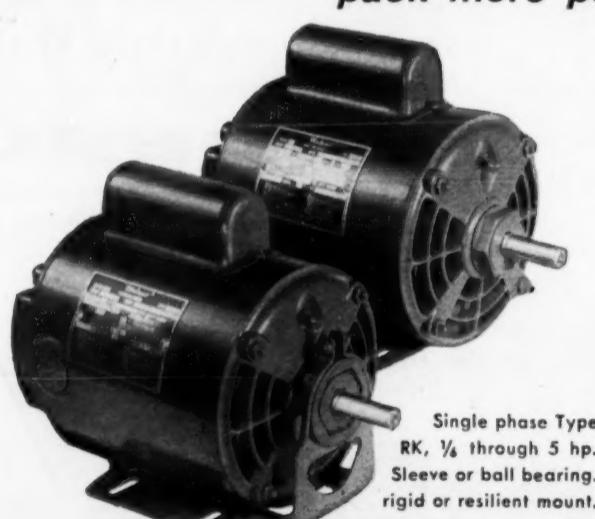
Atlanta, Ga.—Manufacturing production will be up this year, an Atlanta Federal Reserve Bank economist told the Georgia P.A. Association in January.

Dr. Philip M. Webster backed his outlook with charts on industrial production, housing starts, government purchases, consumer spending and prices.

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WM59-6

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British Purchasing Agents Expect Prices To Remain Firm for an Extended Period

London—British purchasing agents look for an extended period of firm prices.

In a survey which the British Purchasing Agents Association published with its annual report, nearly half the members queried said they expect prices to remain substantially unchanged this year. Some 35% expect a slight lowering, and the rest a fractional increase.

Virtually all (98%) expect production to increase in the United Kingdom but without much of a jump in employment. Only 16% foresee a rise in employment, and 10% expect a decrease. Most expect exports of their companies to rise during the year. A sizeable majority (70%) said they didn't expect their business to be affected in any way

by the introduction of the Common Market.

Some 44% said their firms would increase capital expenditure in 1959 compared to 1958, 32% forecast a decrease (in most cases slight), and the rest no change.

Chinese Reds Exporting Cut-Rate Goods to India

Bombay—Indian traders report that Chinese Communists, boasting cut rate prices, are pushing for sales of a wide variety of goods in India.

In addition to textiles, a study of the various markets here reveals that the Communist export offerings include electricals, radio components, hardware,

cutlery, dies, chemicals, and newsprint.

Chinese prices, moreover, are said to be 10 to 15% lower than prices for comparable Japanese goods and comparably even more cheap than British and West German goods.

On some items such as certain types of radio tubes, Chinese quotes are understood to be lower by 50% than British bids. In dyes and chemicals, the disparity is said to range from 5% compared to Japanese products to 15% compared to German.

Canadian Steel Buyers Forecast Higher Prices

Hamilton, Ont.—Canadian steel buyers are forecasting higher steel prices reflecting recent Canadian freight rate increases and wage costs.

The price increases are expected when present railroad

"agreed charges" expire with pricing positions to be clarified when the new freight charges are established on an item by item basis. Contracts for a number of commodities are understood to contain escalator clauses.

France Soon to Produce Butyl Synthetic Rubber

Paris—France's first butyl synthetic rubber plant will go into operation early this year.

The plant is being built by Societe Du Kaoutchouc Butyl (SOCABU) near Le Havre. Capacity will be 20,000 metric tons annually, suitable enough to cover French needs and those of France's common market partners.

SOCABU is jointly owned by Esso Standard, SAF, CIE, Francaise De Raffinage, Michelin, and Kleber-Colombes, and five chemical companies.

10% More Japanese Steel Planned in '59

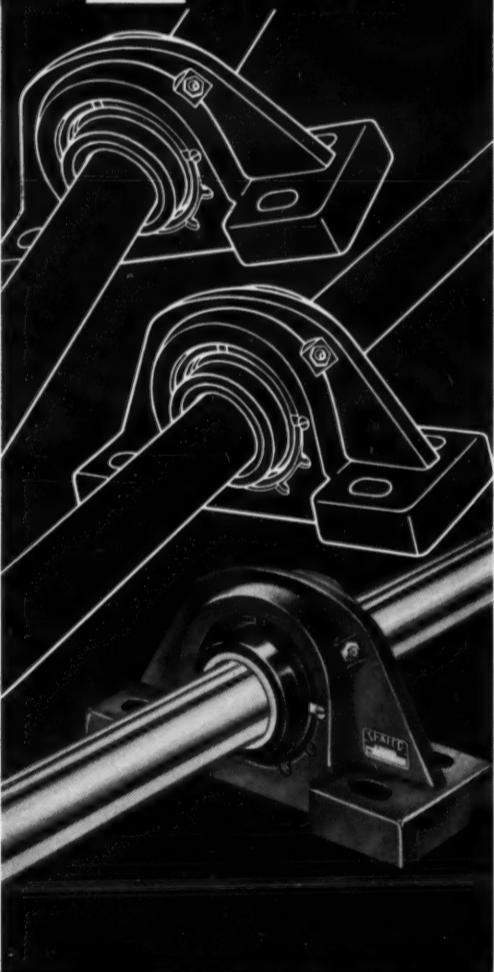
Tokyo—Japanese steel makers will increase steel production by 10% this year to 13.2 million tons. Production of small bar steel, medium shape steel, and thick sheet steel, which are more in demand, will be increased by 5 to 15%.

This is the first big hike in Japan's steel production since last year's slump. The market recovered during last November and December, and in the first 15 days of January, prices soared by \$14 to \$22.22 per ton.

Small bar steel is selling at \$116.66 per ton, medium shape steel at \$125 per ton and thick sheet steel at \$141.66 per ton. All these prices are about \$14 higher than the monthly open sales prices at which steel is sold by the steel makers on a pool basis.

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This Week's Foreign Perspective

FEBRUARY 16-24

London—All eyes are on Russia again. But this time it's rubber and zinc that are getting most of the attention.

Russian moves in these areas could have a considerable market effect.

Look at rubber. The London market has been marking time recently—chiefly because of uncertainty regarding Russian buying plans. Red buying last year sustained the market in face of falling Western demand.

How much the Reds buy in '59 again will have a decisive influence.

In zinc, too, Russian policy is a factor to be taken into account. This time it's selling which matters. Soviet sales of zinc appear to be continuing at a strong level.

This Russian effect becomes important if you add it to the uncertainties brought about by stateside import quotas.

Combined with the quotas, Red sales could be enough to keep the international price shaky for some time to come.

Dusseldorf, Germany—European steel exports to the Soviet Union are expanding—in line with recent relaxation of East-West trade bans.

West German firms are now selling the Russians big steel pipe—the type that American companies are still banned from exporting to the Reds.

Industrial sources say that 33,000 tons have already been delivered to the Reds, and new contracts have been signed for additional tonnage.

Experts believe the German steel is being used for two big gas pipelines—one running from Caucasus northward to an unknown point, the other linking the Soviet Union with her East European satellites.

These sources say the Soviets are constructing the lines to strengthen their political control of the satellites. Moscow could then threaten the flow of gas and oil if any dispute arose with a satellite.

Lima, Peru—Eleven countries and some 400 industrial and commercial firms have agreed to participate in a new Pacific International Trade Fair.

It will be held here in October on a 1 million sq. foot plot.

The countries which have officially announced their participation are the United States, Great Britain, Canada, West Germany, Denmark, Holland, Sweden, Belgium, Italy, Chile, and Uruguay. A number of other countries are also considering the matter and will make their decisions known shortly.

The tentative theme of the U. S. Government's exhibit will be "Better Production for Better Living." It will be aimed at promoting more efficient production through the use of better methods and machinery.

The fair is another indication of the increasing importance many nations are assigning to the Latin American market. (See Tokyo below)

Tokyo—Japan is making a concerted effort to capture a bigger chunk of Latin America's import trade.

To bolster this new trade drive, Japan is using a brand new idea—a floating industrial showcase. She has sent the 10,500 ton freighter, Atlas Maru, on a 5 month sales tour around the South American continent.

In her travels, the "Floating Fair" will visit 12 key Latin American cities. Some 70 Japanese experts and salesmen are aboard the Atlas Maru to demonstrate 10,000 odd products.

They cover such items as: industrial heavy machinery, electronic equipment, sewing machines, clocks, iron and steel manufactured goods, chemical fertilizer, cosmetics, porcelain, plastics, textiles, wines and perfumes.

The ship's six storerooms are partitioned off into 11 showrooms with a total of 330 individual displays, which cost Japanese manufacturers, with government aid, a total of \$5 million.

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The roller in a roller chain must provide maximum resistance to its impact against sprocket teeth for longest wear life. A **PLUS VALUE** of Rex Roller Chains is really round rollers. This provides full bearing against the bushing for maximum life.

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'When Industry Moves to Interurbia' Topic at Lehigh Valley P.A. Meeting

Bethlehem, Pa.—Does the relocation of a large industrial plant in a rural area pose special problems for its purchasing agent?

Vincent Huether, purchasing agent of Ethicon, a division of Johnson & Johnson, thinks not, fundamentally speaking.

When his company moved from mid-town New Brunswick, N. J., 2½ years ago, to a suburban New Jersey location, it was faced with many purchasing and supply problems. They included change of local supply sources, particularly in the area of maintenance, repair, and operating supplies; review of inventory policies; routing shipments; and interviewing sales representatives.

Huether said the move taught him the importance of ever increasing necessity for good vendor relations. Many problems were solved because of them.

His company's suppliers are equally important as its customers. Without them there could be no customers, Huether said. "Any purchasing agent who feels that he can be successful without goodwill, respect, and close co-operation of his suppliers," said Huether, "is just not being honest with himself."

Huether was one of three pan-

elists at the January meeting of the Lehigh Valley Purchasing Agents Association. The subject was "When Industry Moves to Interurbia."

Other panelists were S. George Walters, associate professor of marketing, Lehigh University, and Dr. Anthony Bryski, director of the bureau of statistics and research, Pennsylvania Department of Labor and Industry.

Professor Walters contemplates this scattering of industry "will

require one additional salesman for each eight now on the road." He urged purchasing agents "to be as considerate as possible of a salesman's time and energies." Walters believes that a salesman, usually from the metropolitan area, can be of more help than ever to the isolated P. A.



INTERURBIA PANEL, left to right, Vincent Huether, P.A. for Ethicon Division, Johnson & Johnson; Dr. Anthony Bryski, Pennsylvania Dept. of Labor and Industry; S. George Walter and Dr. Carl E. Allen, Lehigh University; and John J. Fox, president, Lehigh Valley P.A.A.

Pittsburgh P.A.'s Award 2 Seniors Scholarships

Pittsburgh, Pa.—Purchasing Agents Association of Pittsburgh has awarded scholarships to two seniors majoring in industrial purchasing at the University of Pittsburgh's School of Business Administration.

Joseph M. Stofan and John T. Connors were chosen for outstanding scholastic ability and extra curricular university activities. W. W. Crawford, director and chairman for the education committee and director of purchases for U. S. Steel Corp., will be Connors' industry advisor. Joseph G. Smith, director of the association and vice president of Pittsburgh Steel Co., will guide Stofan.

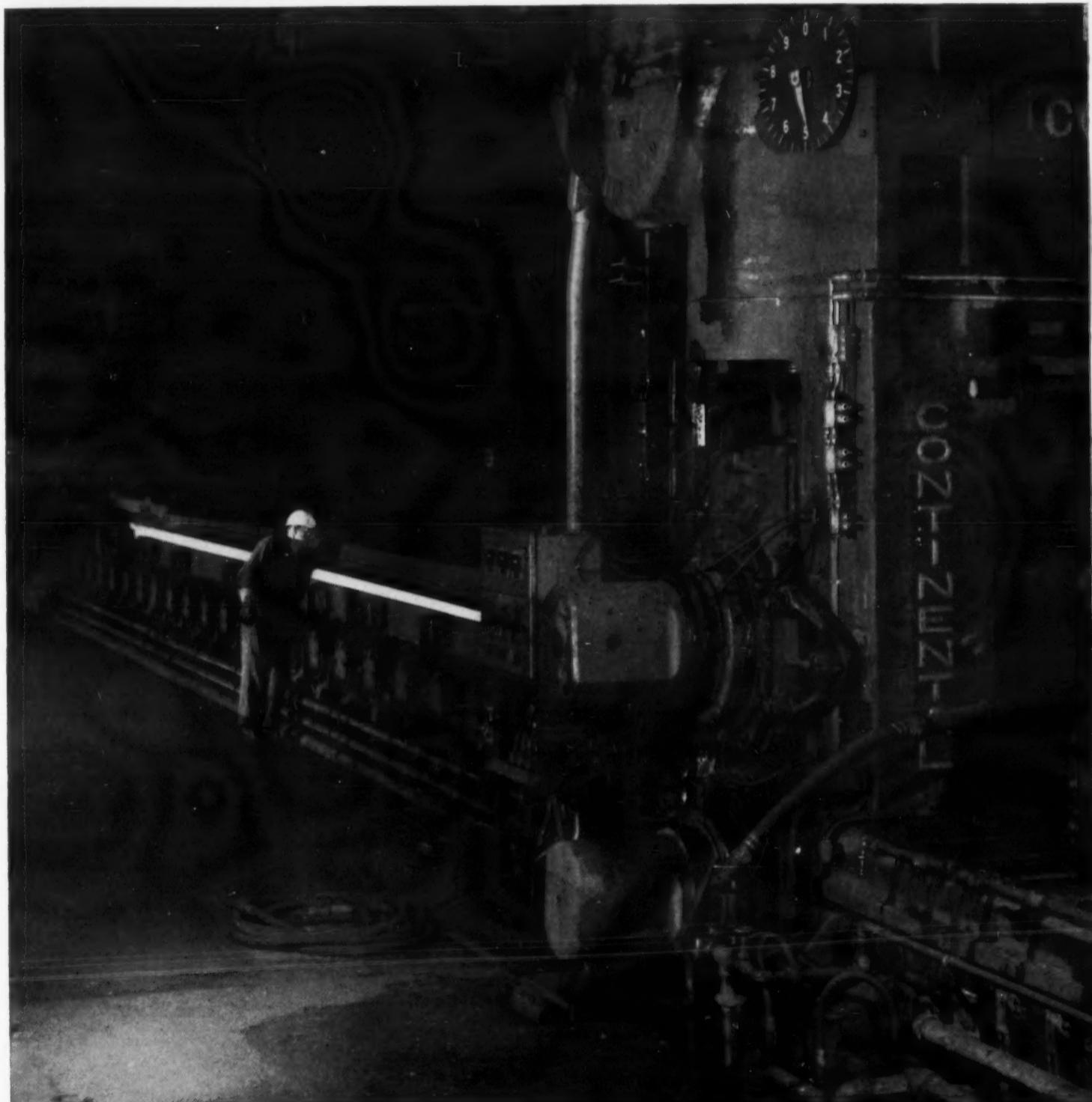
Panhandle P.A.'s Hear Hood on Value Analysis

Amarillo, Texas—Current status of value analysis-standardization, its every day use, and history was reviewed for Texas Panhandle P.A.'s at their January session.

James Hood, Oklahoma City, N.A.P.A. District 2 chairman of the Value Analysis-Standardization Program, reviewed the progress of the N.A.P.A. program. Hood pointed out that N.A.P.A. is preparing a brochure on the project which will be ready shortly.

Fort Worth P.A.'s Meet

Fort Worth—Purchasing Agents Association of Fort Worth heard about life behind the Iron Curtain from L. D. Webster, vice president of public relations for Lone Star Steel Co. Webster, who recently toured Russia, was guest speaker at the January session.



Gulf makes things run better, with—

NEW GULFCROWN

Here's a multi-purpose lithium base grease for bearings in heavy duty service.

It's a completely new bearing grease that effectively lubricates bearings operating under high loads, shock loads and with oscillating motion.

New Gulfcrown Grease E.P. will give you plenty of proof that Gulf makes things run better. It resists heat, cold, moisture and mechanical breakdown. It has excellent oxidation stability and protects against corrosion.

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New Gulfcrown E.P. is an unusually versatile multi-purpose grease. For example, it gives excellent results in the lubrication of heavily loaded trunnion bearings . . . steel mill work rolls and table rolls . . . sliding dog clutches . . . spiral gear boxes . . . Banbury mixers . . . the bearings, cams and gears in textile looms . . . and

Inventory Control A Big Hit in Cincinnati

Cincinnati—Inventory control drew a standing-room-only turnout for the first of a series of pre-meeting shop-talk sessions at the January meeting of the Purchasing Agents Association of Cincinnati.

Interest was so high that members voted to continue the "Inventory Control" discussion at their February meeting and they also decided to extend the session from 30 minutes to 45 minutes.

The sober prediction that 1959 is a year of uncertainty with little support for all the en-

thusiasm, was made at the dinner session by Wilbur J. Pierce, staff assistant at Detroit Edison purchasing department.

Pierce said he found far more talk than fact to support these predictions of a 1959 boom.

Pierce, an instructor in purchasing at Wayne University materials management center and chairman of the N.A.P.A. Value Analysis Committee, said the order picture is not convincing and added production would rise but mostly on anticipation. Employment will continue to be one of

the major concerns of the nation with 4.5 million on the rolls of the jobless.

Inventory liquidation will continue, prices now static will inch up slowly, and so will interest rates, Pierce contended. He added corporate profits will improve.

"The supply picture will be clouded by undependable foreign supplies, the threat of cheap-labor imports, further inventory reduction, and government competition," Pierce pointed out in his talk to the Cincinnati purchasing agents.

Los Angeles Group Joins In Pushing Education

Los Angeles—The educational program being pushed by the National Association of Purchasing Agents is getting a big boost from the Purchasing Agents Association of Los Angeles. The local group is sponsoring a six-week lecture course which attracted 300 registrants.

On the program was H. Lee Weber, retired director of purchasing for Fibreboard Corp., San Francisco. A 30-year veteran of industrial purchasing, he toured Europe last year as a State Department representative.

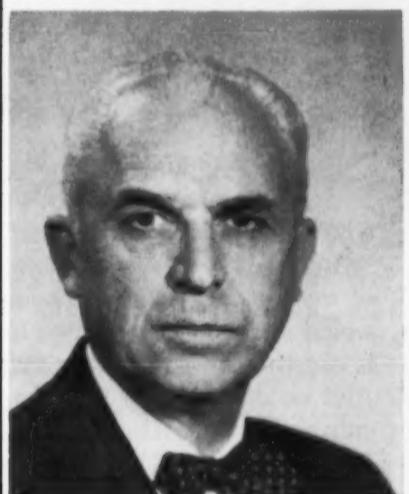


HARRY McMULLEN

McMullen and Holtman Industrial Show Heads

Indianapolis, Ind.—Purchasing Agents Association of Indianapolis has named the chairman and general manager of its twelfth annual Indiana Industrial Show. The popular event is scheduled Mar. 18-20 at the State Fairgrounds here.

Harry McMullen, manager of Farrell-Argast Electric Co., is chairman. R. F. Holtman, executive secretary of the Indian-



R. F. HOLTMAN

apolis Association, is general manager.

The three-day show will feature 360 booths displaying tools, machinery, and services. The industrial show, recognized as one of the largest and finest in the Midwest, attracts 30,000 people to the fairgrounds.

Alabama P.A.'s Program Covers Business Outlook

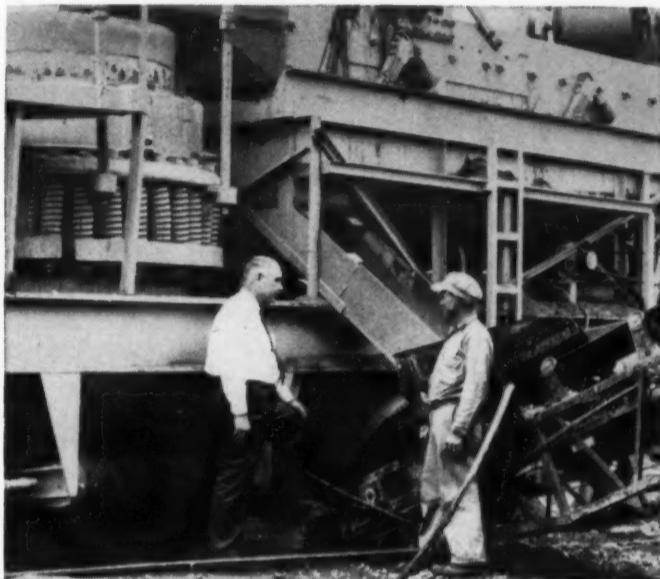
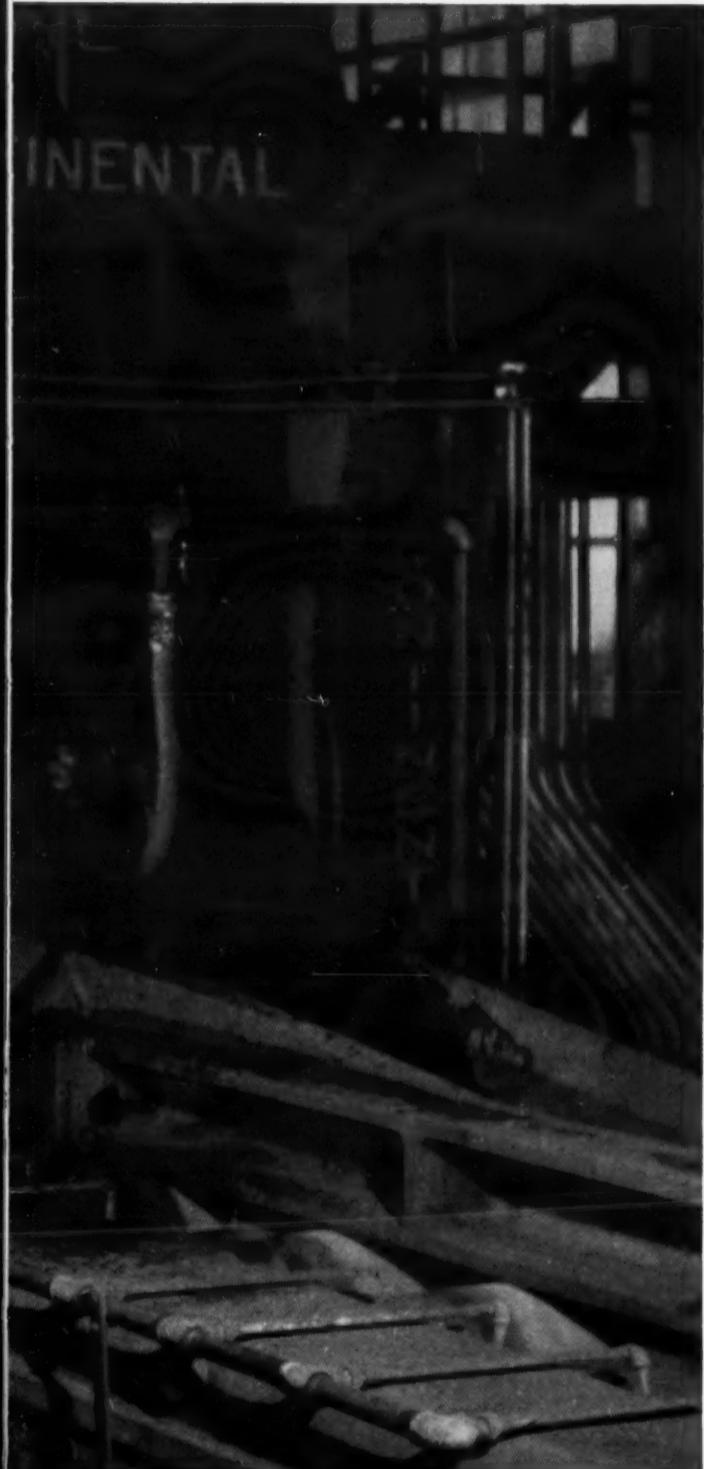
Birmingham, Ala.—A two-part program stressed the economic outlook for business this year at the January meeting of the Purchasing Agents Association of Alabama.

Association panelists gave reports on prices and availability of iron, steel, scrap and pig iron, construction materials, and oil. Panelists said there was an upward trend.

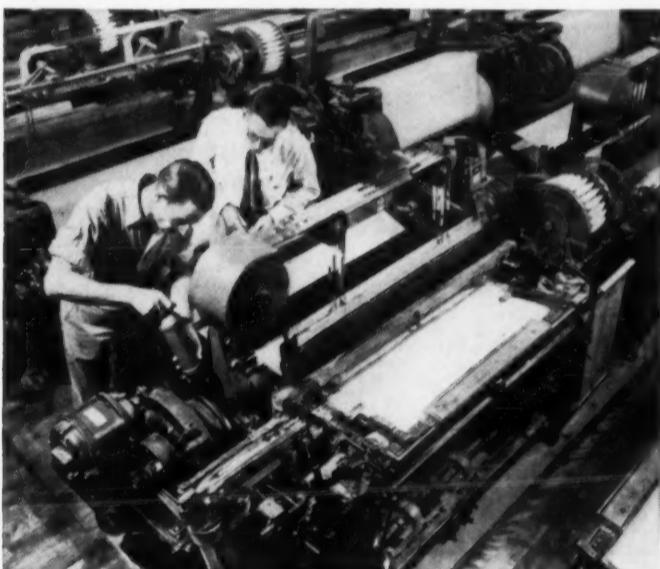
John L. Liles, vice president and cashier, Federal Reserve Bank of Atlanta, looked to a good year in 1959. Liles pointed to inventory reports as an excellent barometer and pointed out that manufacturing inventories should strengthen.

Twin City P.A.'s Meet

Minneapolis, Minn.—Robert J. Holloway gave impressions of the Soviet Union gained during his recent visit to Russia at the Twin City Purchasing Agents Association's January meeting.



In hard-working equipment, like stone crushers, new Gulf-crown Grease E.P. withstands extremely high shock loads in grease lubricated bearings.



In textile mills, the excellent oxidation stability of new Gulf-crown Grease E.P. makes it the ideal lubricant for loom bearings, cams, pick balls and gears.

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PW-5208

Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING
330 West 42nd St., New York 36, N. Y.

Vol. 2, No. 7

February 16, 1959

Print Order This Issue 26,169

C.B.S. and Murrow Owe P.A.'s Apology

MAYBE we should be complimented when a major radio network recognizes the importance of the purchasing agent by pointing out sales executives will go to any length to win a P.A.'s favor. We believe differently. We think every purchasing agent in the United States and the purchasing profession as a whole have been damaged by a major radio network's splurge into sensationalism under the guise of journalism.

We're referring to the C.B.S. radio presentation of the recent program in which it was stated that major business corporations employ call girls to "cement friendships" with buyers and thus win orders. The program was narrated by Edward R. Murrow.

Even though we know of no cases in which a sales organization has resorted to the use of call girls to influence purchasing agents, we would not be naive enough to state that this has not happened. We do say, and we say it with the authority that comes from honest answers obtained from industrial purchasing agents (See survey report on page 1.) that:

C.B.S. did a disservice to itself, to American business, and without any question of doubt to purchasing agents, by broadcasting a program that could have no reason for being other than sensationalism.

We have been and always will be in favor of crusading journalism. However, we do not place this program in the category of crusading journalism. A crusading journalist attempts to point up a condition and show how it can be corrected. C.B.S. has done nothing but call attention to an alleged condition and then quickly hide behind "journalistic prerogatives."

If the radio network has knowledge of conditions which should not exist, then why not bring these to the attention of authorities so they can be corrected?

Business certainly was not aided by C.B.S. pointing to a few sales executives who sell sex instead of their products or to a few "good time Charlies" who place orders on the basis of "what's in it for me."

Journalists who seek to profit by a condition which is representative of only a very small minority are not real journalists. A real journalist would stand on his own two feet and say "I want to help." Real journalism is constructive. No one is helped by sensationalism that has no foundation. And we do not think that the prestige of either C.B.S. or Mr. Murrow was enhanced by the attack.

We do think that Mr. Murrow and C.B.S. owe American business and especially purchasing agents an apology.

Don't Duck Those Committee Assignments

Most purchasing men will agree with us that committee assignments are work. Therefore too many P.A.'s are avoiding them and losing the benefits and prestige that come from committee work well done. Though the chairman is the titular head of a committee, the actual head is the member who does the most work. He controls the flow of information and data to the committee and thus strongly influences its decisions. The smart P.A. gets on as many committees as possible, and he runs them by doing most of the work himself.

PURCHASING WEEK STAFF

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Your Follow-Up File

Purchasing Week Articles Live on in Reprints

Copying Machines

Ottumwa, Iowa

In your Jan. 19 issue we noted a request for a reprint of "Copying Machines Will Reproduce Written Matter Quickly and Cheaply" and "Select Your Copying Machine After Studying These Detailed Descriptions" (Sept. 29, pp. 18 and 19).

We recall reading the articles; however we were not too much interested at the time. Since there is now a possibility of our purchasing one or two of these machines, we would appreciate receiving a reprint of the two informative items.

Francis Phillips
Purchasing Agent
City of Ottumwa

New York, N. Y.

Please send me a reprint of the article on copying equipment (Sept. 29). It was a very interesting and informative writeup, and I am sure it will be of use to me in determining the best type of copying equipment to buy for my company.

William Griffin
Purchasing Agent
Hammarlund Mfg. Co., Inc.

Value Analysis

Watervliet, N. Y.

Congratulations on the wonderful job you accomplished in your value analysis report ("Experts Aid Purchasing Men by Answering Pertinent Questions on Value Analysis . . ." and ". . . But Fred Sherwin's Answer Is That Value Analysis Enables P.A.'s to Increase Savings," Jan. 26, pp. 12 and 14).

Your accomplishment should serve to improve the understanding of this very valuable tool to cost reduction and the attainment of greater value for the dollars spent.

Raymond J. Spenard
Value Analyst
National Industrial Division
Watervliet Arsenal

Corning, N. Y.

Would it be possible to obtain 75 copies of your recent value analysis report to distribute to members of the Elmira N.A.P.A. Association?

J. E. Fitzgerald
Chairman
Elmira Association Value-Analysis-Standardization Committee

Evansville, Ind.

Do you have reprints? If possible I would like to obtain copies for distribution to our local purchasing group.

W. B. Welge
Purchasing Agent
Southern Indiana Gas & Electric Co.

Materials Management

London, Canada

May we reprint for classroom purposes only the feature article and editorial on materials management in your Jan. 5 issue ("As Management Tried to Wring More Profits Out of

Materials, P.A. May Find His Field Broadened," p. 12, and "Materials Management—today's Problem," p. 12)?

I feel your report is a good introduction to have my purchasing students learn more about materials management.

J. B. Washington
Assistant Professor
School of Business Administration
The University of Western Ontario
• Permission given

Omaha, Neb.
I am preparing a paper for my masters degree at Omaha University on inventory control and would like to use some material in your materials management article. Would you forward me a copy of your Jan. 5th issue?

James W. Smith
Material Scheduler
Continental Can Co., Inc.

Fleet Cars

South Bend, Ind.

You had an article entitled "Fleet Car Buyers Seeking 'Real' Economy Car" and "Buyers Get Data on Fleet Cars" (Dec. 1, p. 1).

This information is of interest to our dealers and shows very vividly how purchasing agents determine motor vehicle purchasing policy. Can reprints be obtained?

May we commend your magazine on its helpful articles on automotive purchasing.

A. E. Fitzpatrick
Manager
Fleet Sales Department
Studebaker-Packard Corp.

Letter Writing

Verona, Wis.

We have read with a great deal of interest the article "Write Letters That Bring the Results You Want," by Prof. C. W. Wilkinson in your Dec. 29 issue (p. 6).

We would like to receive two dozen reprints of this article for the use of the people in our organization who write letters.

V. L. Anderson
Office Manager
Carnes Corp.

Mountain View, Calif.

Please send us 20 reprints.

We found this article entertaining and very informative and want to distribute it throughout the company.

J. W. Carlson
Purchasing Agent
Shockley Transistor Corp.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

A professor recently wrote that automation will eventually give rise to a two-caste system of industrial management—those who program computers and those (top management) who make decisions based on the machine computations. This man predicts the gradual disappearance of middle-management personnel. What do you think of this idea?



R. J. Schey
Elgin Sweeper Co., Elgin, Ill.

"In industry today we have decision makers (top management) and program computers (production control men, industrial engineers, foremen, etc.) to determine the 'how many,' and the 'how,' 'who,' etc., of our production lines. These men are middle management and will continue to be. There will always be a need for first line management (direct supervision of operating departments), and automation, I feel, is not going to affect its function directly."

R. E. Davidson
B. F. McDonald Co., Los Angeles

"The professor's prediction is probably correct. However, it seems likely that the middle management team will automatically rise to the position of program computers and a new breed of technicians necessary to keep the wheels of automation rolling will be born. Every move forward in the trend to automation will release more trained minds in an ever improving economy for the world of tomorrow. I hope I will be here to see it happen."



Robert Bach
Wilke Metal Products, Inc.
Schofield, Wis.

"I can only answer in the negative. This will happen only when a machine is developed that is able to judge character; evaluate personality; temper decision with the right amount of coldness, warmth, sentiment, and genuine concern for the company. The machine cannot be built that will be as flexible and versatile as middle management has to be."



H. M. Kennedy
Cessna Aircraft Co., Industrial Products
Division, Hutchinson, Kan.

"The typical middle-management man currently divides his time between analysis and communication for the purpose of making decisions and initiating action. Computers should save time in analysis, but communication remains. The good manager would use time saved for additional or more penetrating analyses. The purchasing field needs and should welcome computers, but not as replacements for good buyers."



Vincent Romano
A. Kimball Co., Brooklyn, N. Y.

"I believe you will always need the middle man to help analyze the decisions based on the information supplied by these electronic computers. Automation displaces drudgery, not people. It has raised the standards of living, education, science, and big business. In reality, automation has created jobs and raised productivity. People whose jobs have been taken away by these machines are not out of jobs but have been assigned to more important and interesting ones."



Next Week—February 23

Purchasing men answer this question:

What purchasing method or tool do you feel will help you most to contribute to your company's successful operation this year?

You can suggest a question to be answered in this department by writing:

PURCHASING WEEK Asks You . . .
330 West 42 St.
New York 36, N. Y.

THE NATIONAL SCENE



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Indianapolis	WAlnut 3-6381	Wilmington	Olympia 5-6371
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To Buy Steel

Know Steel

By RALPH C. HERDRICH
Vice President in Charge of
Purchasing
Rolled Steel Corp.
Skokie, Illinois

Steel is one of the most important single commodities used in industry. Yet many purchasing executives have only a vague acquaintance with and knowledge of various types of steel available to them, and properties of each. This lack of information results in unnecessary expenditures that force up costs or cut deep into profits.

It is particularly important for the buyer to know not only what is being offered him but also the precise specifications called for in production of his company's products. In buying steel, the P.A. should familiarize himself with the job to be done and the range of steel materials capable of doing it. He should never assume there is only one kind of steel to fit his job without going over the specifications with company technical specialists.

Beware of "Over-Purchasing"

In buying steel, P.A.'s may find themselves "over-purchasing." This can take many forms. The buyer may be over-purchasing quality in the sense he is buying prime steel when "seconds" might fill the bill. Seconds should by no means connote inferior quality. The classification often has no relation whatsoever to quality. It often refers merely to steel that is slightly off gauge from what was ordered. If the customer placing the order rejects the steel, the mill sells it to a secondary warehouse which in turn separates it by gauge and makes it available to other buyers. Using hot rolled sheets as an example, P.A.'s can save from \$15 to \$25 per ton by buying seconds rather than prime from the warehouse.

Don't Over-Buy Quality

Over-buying quality can also occur when the purchaser buys steel of quality that unnecessarily exceeds specifications of the job. Cost-saving substitutes that will perform the job equally as well are often possible. To understand this, the P.A. should have a working familiarity with the rudiments of steel production, especially in variety of finishing operations.

Finishing mills process steel slabs into plates or long coils of hot rolled steel. These coils are either pickled or cut into hot rolled sheets. Hot rolled sheets might be used as the end product or further processed into cold rolled coils or sheets. Further

processing can transform cold rolled sheets into galvanized (zinc coated), long terne (lead coated), tin plate, or black plate coils or sheets.

All these products use carbon steel as a base, but each is imbued with individual properties through added milling, coating, or other processing. The differences between these types of steel result from further treatment. Each treatment adds cost and a resultant greater price to buyers. Through a knowledge of manufacturing processes and properties of each, the P.A. can recognize the many substitutions that can be made within the general range of carbon steel.

Hot rolled steel is ordinarily produced in a low carbon grade of steel. It is suitable for many purposes where the presence of oxide and normal surface defects is not objectionable. It has a more porous surface than smaller grained cold rolled steel that follows it in the manufacturing process and consequently is not as receptive to high finish painting. Neither will it lend itself to extreme forming as well as easier worked cold rolled. It would, for example, rarely be used for a high finish panel or deep cold drawn stamping.

Tips on Cold Rolled Steel

Cold rolled is produced by the further reduction of hot rolled coil by tandem rolling to required gauge at room temperature. There are many jobs where hot rolled may be substituted for cold rolled with no sacrifice of product quality—where buying cold rolled would be over-buying. It would not be necessary, for example, to use cold rolled for such products as brackets, back panels, separators, or tanks. A customer of ours who produces muffler bodies, found hot rolled pickled a very satisfactory substitute for cold rolled. Buy-

ers can save over \$5 a ton by such substitution.

On the other hand, if the engineering department specifies cold rolled for a job, this may not involve additional expense. Cold rolled secondary sheets fitting a broad range of manufacturers' specifications are available from warehouses.

Know Gauge Tolerances

The P.A. should always know gauge tolerances of jobs. By discussing the job with the engineering department, the P.A. may find 19 gauge cold rolled is as acceptable as 18 gauge cold rolled for the desired end product. In this case, 19 gauge is slightly higher in price than 18 gauge, but there is a considerable weight saving. Eighteen gauge weighs 2-lb. per sq. ft. while 19 gauge weighs only 1 1/4-lb. Using 19 gauge means a 12 1/2% weight saving. Also, availability of 19 gauge is greater at warehouses.

Over-purchasing often occurs with respect to quantity as well as quality. The P.A. should know the size of the run and not over-buy simply to make up for a minimum mill order. He can order only amount needed from a warehouse.

Know Exact Sizes of Blanks

The buyer should always know exact size of blanks he will produce. He may be able to get more blanks from an off-size sheet than a standard size. Here again, warehouses often have these sizes available, particularly in narrower sizes.

In any case, it is important that the P.A. be aware of his minimum requirements and open-minded to the possibilities of substituting other types of steel, other gauges, and other sheet sizes.

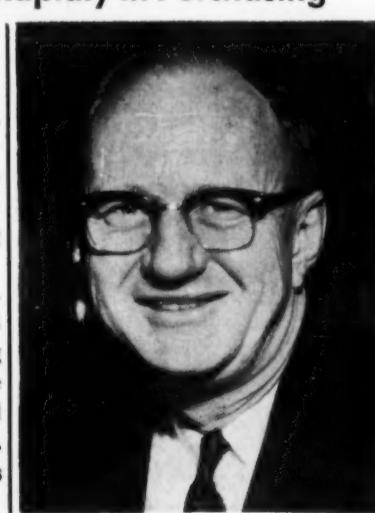
Examples of situations where this simple procedure is violated come to our attention daily. One

Hendrick Advanced Rapidly in Purchasing

Ralph C. Herdrich, vice president in charge of purchasing at Rolled Steel Corp., Skokie, Ill., has been with the firm since 1952.

His title then was purchasing agent. In 1953 he was made director of purchases and moved to his present title in 1954.

Herdrich is an old steel man. He joined Inland Steel in 1932 as the operator of a duplicating machine and stayed with the firm 12 years. Then he worked at Briskin Manufacturing Co. and later at Peterson Products Corp.



Save Money on Steel Purchases

Use This Check List

1. Can "seconds" be used instead of prime steel?
2. Does steel quality exceed job specifications?
3. Is the right type steel specified?
4. Are gauge tolerances too tight for the job?
5. Is quantity requested in line with job needs?
6. Can more blanks be made from off-size sheets?

customer has always purchased cold rolled sheets for a radio chassis he produces, sending the material out to be plated. He was able to cut production costs considerably by substituting terne sheets for the job.

Buyer Knowledge Needed

Buyer knowledge of steel materials and processes was required in affecting the above noted cost saving. Long terne costs about 8 1/2-9¢-lb. while cold rolled costs about 7 1/2-8¢-lb. But to cold rolled price must be added plating and handling costs that often make it more expensive in certain applications.

A manufacturer of steel pails was using cold rolled sheets, then hot-dipping his product in molten zinc. We pointed out to him that by using pre-coated galvanized sheet, he was reducing costs while getting a sheet with an iron-zinc alloy bond far exceeding what he could get by hot dipping a cold rolled sheet. In addition, we advised the manufacturer he was placing undue emphasis on longevity as the pail is apt to be disposed of or lost

long before it could rust through.

A manufacturer of outdoor signs believed galvanized sheets were unpaintable and therefore unsuited to his work. He told us one day he desperately needed some galvanized phosphate-coated sheets and could not locate them. We suggested he buy galvanized and apply an acetone wash or rinse. By doing this, he was able to go into production immediately. Also, he was able to produce his signs at considerable savings over more costly, not readily available phosphate-coated sheet.

Each Process Adds to Cost

It should be remembered each additional process—lead plating, hot dipping, phosphate coating, etc.—adds to cost. Savings can almost always be realized when a product earlier in the production cycle is utilized.

To purchase intelligently, one must recognize pitfalls of over-purchasing quality and quantity. He must seek the best material in the proper size, in minimum quantity, and at best price to suit his specific needs.

Purchasing's Relationship to Management Shares Spotlight with Florida's Economy

Winter Park, Fla.—Purchasing's relationship to management and Florida's rising economy shared the spotlight at the three-day Central Florida Purchasing Conference last month.

Depends on Operation

Purchasing's position in a firm depends on the company's operation, John M. Fox, president, Minute Maid Corp., told P.A.'s Minute Maid management keeps close tabs on purchases because a 10¢ differential in fruit-buying could change the profit picture, Fox explained. On the other hand, a concern buying a steady commodity does not need so close a supervision of purchases, he added.

Fox then gave three reasons why purchasing should be aligned with top management:

- An intelligent purchasing campaign can make money for the company.

- Purchasing is the face the company presents to the outside world.

- Purchasing is good training for future executive material.

Cape Canaveral Boosts Economy

Lt. Col. James A. Venable, Jr., Patrick Air Force Base procurement officer, explained that Cape Canaveral's growth has pushed Florida's economy to phenomenal heights. Population growth and construction work can be directly tied to the expansion at the Cape, Venable said.

All power, construction, and

utilities expanded to handle the influx to the Cape Canaveral area, Venable pointed out. He also said the improvement of transportation was another offshoot.

Space Age Buying Topic At N.A.P.A. Convention

New York—The N.A.P.A.'s 1959 convention will be geared to buying for the space age.

The New York Purchasing Agents Association, which will host the national session scheduled here June 14-17, reports it is finalizing a program which will benefit all purchasing executives, regardless of their industry. Convention speakers will direct their remarks to the future, emphasizing "practical purchasing in the space age."

David S. Gibson, vice president of Worthington Corp. and former New York Chapter president, has been named chairman of the convention. Gailon Fordyce, assistant director of purchases at American Cyanamid Co., is the program chairman. Other convention committee chairmen also report their convention activity schedules are being whipped into shape.

"The 1959 program has been geared to give each and every man something to take home," a convention announcement said. One of the highspots receiving special attention is an In-Form-a-Show featuring many new products and ideas.

P.A.'s Scoff at Sex in Selling, Tell P.W. Infrequent Tries Usually Fail; Only 6 See Business Resulting

(Continued from page 1) proach to them or someone else.

But out of some 300 responses, only six P.A.'s believed that a supplier who mixed sex and salesmanship secured any business as a result of his tactics.

A number of purchasing executives emphatically told PURCHASING WEEK that a supplier utilizing a sex-flavored sales kit would be dropped immediately.

Asked to estimate about what percentage of the companies with whom they did business engaged in such practices, industrial buyers told P.W. only a minimum were offenders — considerably under 5%. Only two P.A.'s (one in electronic components and the other in leather manufacturing) checked the 10-25% category. Two others estimated the frequency in the 5-10% bracket.

Instances Few

Many of those indicating some knowledge of efforts to influence buying stressed that the instances were few and far between.

Declared one P.A. in the textile purchasing field: "In over 25 years of purchasing, I have encountered this practice only about three times."

In another typical comment, the P.A. for an electronics firm said: "If the situation exists, I believe it is being exaggerated. We live in a day when men will make an issue of some incident to gain popularity."

The P.A. for an aircraft parts manufacturer said he had travelled throughout the country in his 17 years as an industrial buyer and "never have been approached in this manner."

Number Express Indignation

A number of P.A.'s expressed indignation at the Murrow broadcast (aired last Jan. 19).

Asserting he had "never had any direct contact with such situations," an electronics buyer declared he would be highly insulted: "This would fall into the category of a cash bribe and such supplier would be immediately dropped from any dealings."

An assistant general purchasing agent (over "22 years in the game") for an aluminum producer let loose with:

"... He (a supplier) ... would lose business and never receive another inquiry or opportunity. Murrow and his network should be damned for such implications."

The P.A. for a sulphuric acid producer told how the local (P.A.) association stepped in at one point to return a supplier to the straight and narrow. "The supplier complied and has not openly resorted to the practice since," the P.A. said.

But several P.A.'s expressed a "let's face facts" attitude toward the controversial subject.

"I have no doubt that business, large and small, labor unions, and individuals have used sex to gain certain ends—always have and always will," an official for a screw machine products firm said. He termed "sex an excellent bait in certain instances and everyone knows that it is not a new discovery ... I suspect that someone sorely needed an issue to divert atten-

tion and that Mr. Murrow's efforts were bent in that direction."

A food company P.A. declared: "History of man does not change. The panel discussion should wake up some people."

And as for PURCHASING WEEK's interest in the Murrow broadcast and its implications, here are some typical remarks:

"You are attaching more significance to Murrow's fiasco than it deserves"—P.A. for a Detroit tube firm.

"Please accept my congratulations for undertaking this survey, and I sincerely hope your findings will enable you to make public the facts that will exonerate the purchasing profession"—chemical manufacturer's purchasing manager.

Another P.A. advised:

"Ignoring the whole matter seems the wise policy for you to follow! It is an insult to the intelligence of any legitimate business man."

Minnesota Changing Specifications to Permit 'Small Car' Manufacturers to Seek Business

Minneapolis—Minnesota may soon enter the "small car" field. The purchasing department is studying a possible change in its specifications to permit American Motors and Studebaker to bid.

William Stevenson, assistant commissioner of administration, said the state has held its car purchases to those absolutely necessary since the major auto manufacturers eliminated discounts last June.

Stevenson said that on the

higher priced "souped-up" highway patrol cars the discount amounted to \$500 or more per car. For others, it ran about \$385, he said.

Freight Co. To Buy Firm

New York—United States Freight Co., one of the country's leading freight forwarders, is negotiating to purchase National Carloading Corp., the Erie Railroad's wholly-owned freight forwarding subsidiary.

Bridgeport Ultra Fine Grain Brass puts more allure in a lure ... and more profit in your product!

Clear, polished or painted, "Dardevle" fishing lures, made by Lou J. Eppinger Mfg. Co., Detroit, Mich., are world famous for their deadly, sure-fire allure.

There's more than one reason for this magic appeal. But to designers and production men, the most important is the Bridgeport Ultra Fine Grain Brass from which the lures are made. This ductile, easily formed brass provides superior surface properties which help cut finishing costs to the bone.

In Eppinger's case, for instance, some of the lures are clear polished and lacquered. Others are hand-

painted. Ordinarily, these two different operations would call for two different types of metal. But, by using Bridgeport Ultra Fine Grain Brass, the same material can be used for either finish, an important purchasing saving.

If you're fishing for ideas on how to reduce your strip metal finishing costs, cast a line in Bridgeport's direction. Call your nearby Bridgeport Sales Office . . . or write direct for a copy of our Ultra Fine Grain Brass booklet, GRAIN SIZE, THE FOURTH DIMENSION. Dept. 4002.

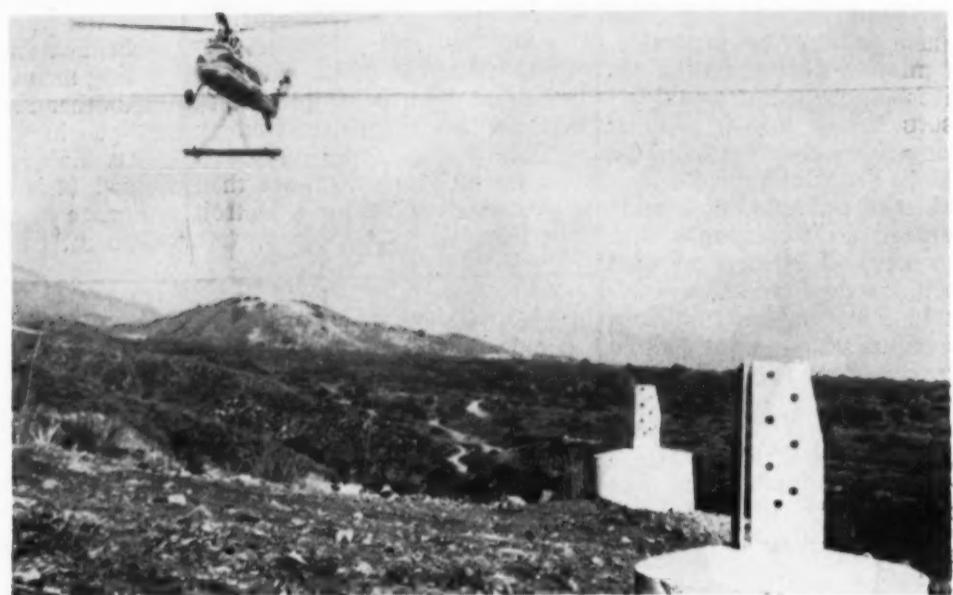
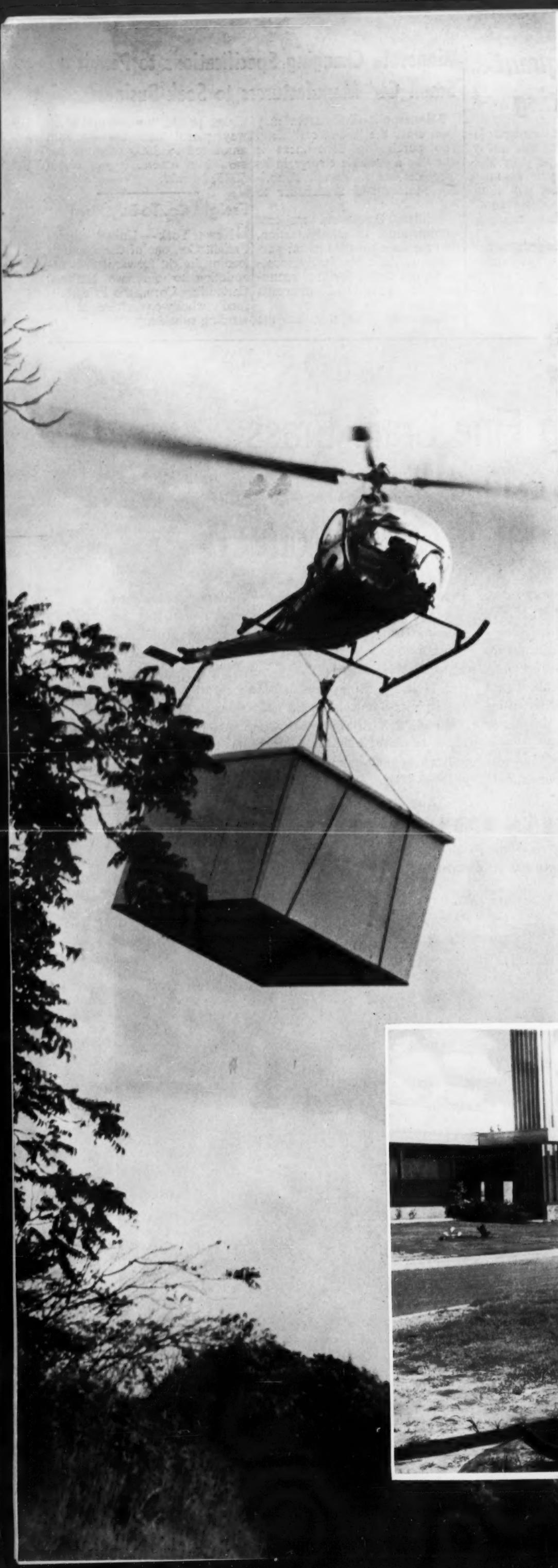
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Helicopters Don't Just Fly



IN ROUGH TERRAIN helicopters pour concrete footings from the air, then bring in steel (above) and fabricated transmission towers same way. No roads are needed.



PERSONNEL can start trips directly from plant door. Top brass avoid traffic delays; salesmen can make widely scattered calls in one day. Emergency shipments are fast.

They Do Many Jobs Quicker, Better, Easier



PLANT EMERGENCIES versatile helicopter carried firemen and equipment directly to blaze. Rotor blows flames away from firemen. Other emergency uses for whirly birds include ambulance work, flood rescues, and evacuation from disaster areas.



SUBSTITUTING for crane, helicopter carried 38 heating units (1½ tons each), transporting them across plant roof unable to support them.

POWER LINE PATROLS now take only 15 hours. Previous ground inspection took 37 man-days. Eye level inspection is more efficient.



Helicopter Data for P.A.'s

What does one cost?

Small machines: \$50,000 to \$80,000
Large ones: about \$300,000

What does it cost to operate company helicopter?

\$45-\$70 an hour. Exact cost depends on flights per year.

What is rental for single job?

Contracts range from \$100 to \$65 an hour, depending on length of job.

How much does helicopter carry?

Small ones: 600-1,000 lb. payload
Large ones: 2-2½ tons

What is flying speed?

75-125 mph

What is operating range?

100-400 miles

How many passengers can be carried?

Small ones: 2-4 passengers
Large ones: 15-20 men

What are limitations?

Can't carry payloads above 9,000 ft. altitude.

Skin Diving, Aviation Among Interests Of Alaskan Airline P.A. Howard G. Fowler

Aviation plays a big part in transportation in Alaska, our 49th and newest state. Howard G. Fowler, chief purchasing agent for Northern Consolidated Airlines, will attest to this. He has spent most of his life in and around Alaskan aviation. For him it would have been difficult to avoid coming into contact with airplanes, pilots, and mechanics.

His father, Howard N. Fowler, was both pilot and mechanic during the early days of flight in Alaska. His pioneering work impressed young Fowler with the importance of the airplane in this territory which had few roads. And young Fowler continued to share this enthusiasm for Alaskan development.

The elder Fowler brought his family to the northland in 1935, when Howard

was six years old. His father's first job was servicing and co-piloting Ford Tri-Motor airplanes for the White Pass & Yukon Railway. He later flew and serviced aircraft for Alaska Airlines, becoming superintendent of maintenance for that air carrier during World War II.

Young Howard got off to an early start in the field of aviation. During his high school years in Anchorage, he worked after school and on weekends at Merrill Field, sweeping hangars and driving a gas truck.

After 3½ years with the Merchant Marine during the war, he started with Wien Airlines as a stock clerk. He worked for a time for Alaska Airlines, setting up a stock records system. Following a stint with Pacific Airlines in

San Francisco, he was hired by Northern Consolidated as chief buyer.

Between jobs he studied business administration at the universities of Oregon and Alaska.

Like most Alaskans, Fowler has several hobbies—or “interests,” as he prefers to call them. “When you have three children and are building your own home, you can’t have hobbies,” he explained. He expects to complete his partially built home near International Airport by next summer. “I’m just sort of building it up around me,” he said.

Among the young executive’s “interests” are skiing, skin diving, and airplanes. He holds a commercial pilot’s license and during past years has owned several light planes. Fowler now owns and is rebuilding a Piper J-3.

\$50 Per Wolf Not Enough!

Some years ago he used his plane to hunt wolves in interior Alaska. It was exciting. But even though there was a \$50 bounty for each wolf shot, the cost of such a venture forced him to give it up.

His latest interest is skin diving. Once a week Fowler goes to a private indoor swimming pool at Anchorage to make practice dives with his aqua lung. Next summer he plans to don a rubber suit, goggles, and the lung and again take up the sport of underwater fishing and exploring.

Purchasing in Alaska is not all local, as Howard’s recent work proves. Last year he purchased all of the spare parts, extra engines, and ground support equipment for servicing his company’s new propjet plane, the Fairchild F-27. This assignment took him to Darby, England, where the F-27’s Rolls-Royce engines are manufactured.

On his Anchorage office wall now hangs a diploma for the two-week course he took at the Rolls Aero-Engine School.

After his stay in England, he went to Amsterdam, Holland, to observe the manufacture of F-27 airframes at the



ALASKAN P.A. Howard G. Fowler behind one of the Rolls-Royce propjet engines which power his company’s newest planes.

Fokker plant, which designed the plane.

On his return to the United States, Fowler visited maintenance plants of airlines now using the F-27 to learn what was required for their efficient operation and upkeep.

His company, an intra-Alaska airline, is expanding rapidly, serving about two dozen far-flung communities. It provides a vital link in the Alaska system of communications.

“The potential of a small company like this is virtually unlimited in Alaska,” Fowler told PURCHASING WEEK. “Every Alaskan airline is an outgrowth of some bush operation,” he added, “and Northern Consolidated is no exception.” He pointed out the carrier started with one single-engine airplane.



KING-SIZE TANK CAR, foreground, carries 20,000 gal. twice as much as standard car. This prototype of fleet to be leased to industry is making trips for demonstration.

Giant Rail Cars Are Railroads’ Answer To Problem of Cutting Transportation Costs

New York—Giant tank and hopper railroad cars recently put in service are twice the size of standard models. Railroads and shippers claim they answer the problem of cutting transportation costs.

Two 20,000-gal. tank cars are now available. A.C.F. Industries, Inc., has come up with several versions of the “economy size” as has Union Tank Car Co., Whiting, Ind.

A.C.F. division officials feel that their car can serve an “inevitable” trend of railroads toward lower volume rates.

Division President H. V. Boots said: “We feel that these new double-capacity cars will prove economically and physically helpful in the volume movement of low-pressure commodities and also will aid railroads to retain, even recapture, this type of business.”

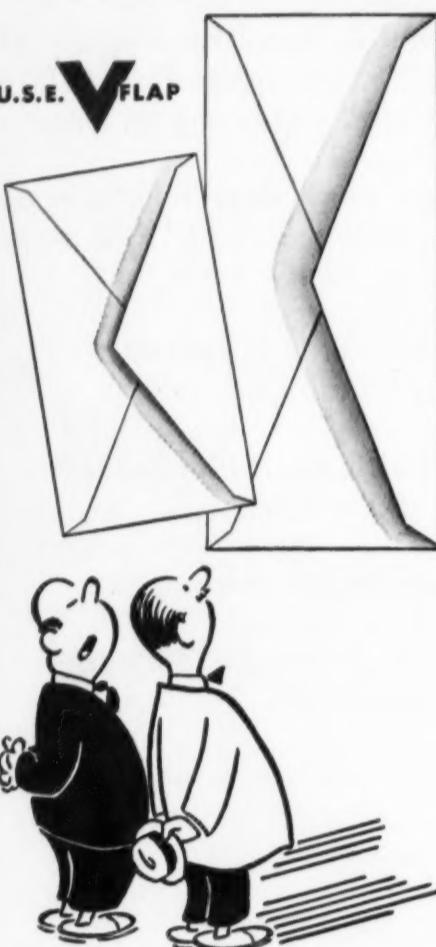
Sun Oil Co.’s traffic manager Lee A. Christiansen, a user, said Union Tank’s giant cars’ chief advantage was an aver-

age 50% cut in freight costs. Railroads have lost about 17% of oil shipments in the last 17 years and are down to only 4%, Christiansen said. He feels these cars could reverse the trend.

The new car also eliminates need for massive storage facilities to hold winter inventories at terminals on frozen water routes.

Atlantic Coast Line has placed a giant open hopper car in operation to fill the growing paper and pulp industry’s needs. A.C.L. designed its car as a practical conveyor to transport wood chips.

General American Transportation Corp.’s “Dry-Flo” is a closed hopper car designed to handle dry products in bulk. Its principal feature is internal unloading gates, which are housed inside the car and assure sanitation for a variety of dry products ranging from malt and feed ingredients to dry chemicals, foods, detergents, and plastics.



“You see the point, don’t you?
That’s ‘The Executive Look.’

The pointed flaps and diagonal seams are generally associated with top-level correspondence. They give an envelope ‘The Executive Look’ and suggest that there’s something important inside.”

You can give your mailings this added distinction and save money, too, with U.S.E. V-FLAP white wove envelopes. This is because they’re manufactured on an amazing new precision machine which produces 15 complete envelopes every second — with greater accuracy and less waste than is possible with any other method.

The V-FLAP envelope is one of 70 U.S.E. envelope styles — all quality guaranteed — designed to help you speed operations and reduce costs in mailings, business systems and packaging. Full information on request.

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N-1

UNITED STATES ENVELOPE

Company



Springfield 2
Massachusetts

This Changing Purchasing Profession . . .



A. J. MALISEK

A. J. Malisek Promoted

Bridgeport, Conn. — Anthony J. Malisek has been promoted to director of purchases by Bridgeport Brass Co. and assumes complete responsibility for the entire company's purchasing policies.

He first began working with the firm in 1928 during his summer vacations and joined the company actively in 1938. Malisek served in various sales capacities from 1944 until Jan. 1, 1954 when he became purchasing agent. In May of that same year he was appointed assistant to the vice president in charge of procurement.



KENNETH CARPENTER, JR., formerly general office manager for the Permatex Co., Inc., Huntington Station, N. Y., has been named purchasing agent. Carpenter joined the firm in 1955 as assistant to the treasurer.



LAURENCE H. FINLEY has been shifted to Akron, Ohio by the B. F. Goodrich Co. as operating manager of the firm's purchasing division. He succeeds A. D. McPherson who retired Jan. 1. Finley had been purchasing agent at the Los Angeles plant since 1953.

W. J. Miller has been appointed purchasing agent for the new Carolina fiber glass plant of

Pittsburgh Plate Glass Co. in Shelby, N. C. The plant will open in March.

William T. Kane, formerly manager of the materiel department of Datalab, division of **Consolidated Electrodynamics Corp.**, Pasadena, Calif., has been appointed contracts administrator for the division. He also served as buyer, assistant purchasing agent and purchasing agent during his five years at C.E.C.

Howard Luikens succeeds the late **D. D. Bachelder** as general purchasing agent for **Sutherland Paper Co.**, Kalamazoo, Mich. **Don Hughes** continues as assistant purchasing agent.

David L. Merzbacher has retired as purchasing agent at the Mount Pleasant refinery of **American Petrofina Co. of Texas**. **R. A. Hensley** succeeds him. Merzbacher has acted as purchasing agent for American Petrofina

and its predecessor company, American Liberty Oil Co., since 1937. He will continue in an advisory capacity.

Harold W. Brewer has been promoted from assistant general purchasing agent to general purchasing agent for the **Chesapeake & Ohio Railway**, Cleveland.

Herbert E. Voll has been advanced to purchasing agent of the **Evinrude Motors Division, Out-**

board Marine Corp., Milwaukee. He succeeds **Clement Hackney** who retired.

Edward Warner, former purchasing agent for plant 1 of the **Doehler Jarvis Division, National Lead Co.**, Toledo, has been named assistant sales manager.

George D. Campbell has been appointed purchasing agent for **Canadian Ice Machine Co.**, Toronto.



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You can be sure of consistent high quality when you specify Garlock molded and extruded rubber parts. Why? Because Garlock has broad experience in compounding natural and all synthetic rubbers including silicone. Whether your problem involves temperature extremes, difficult liquids or gases, compression set,

abrasion, or tear resistance—Garlock engineers can recommend a material and design best suited for the job. Moreover, Garlock manufacturing facilities are available for large quantity production of molded and extruded parts.

Molded and Extruded Rubber Products are another important part of "the Garlock 2,000" . . . two thousand different styles of Packings, Gaskets, and Seals for every need. That's why you get unbiased recommendations from your Garlock representative. Call him today, or write for Folder AD-147.

THE GARLOCK PACKING COMPANY, Palmyra, N.Y.

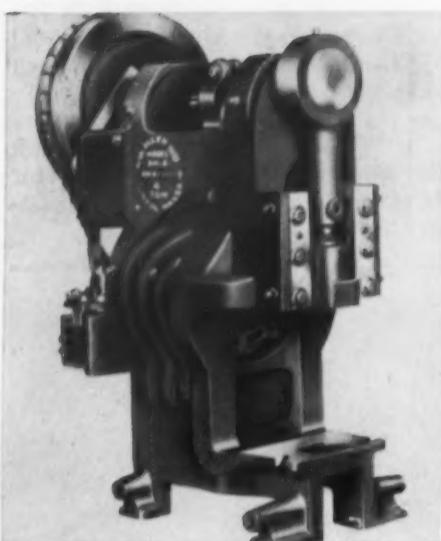
For prompt service, contact one of our 30 sales offices and warehouses throughout the U.S. and Canada.

GARLOCK



Packings, Gaskets, Oil Seals, Mechanical Seals, Molded and Extruded Rubber, Plastic Products

Here's your weekly guide to . . .



Punch Press

4 Ton Capacity

Model BM-4 four-ton punch press automatically crimps electrical terminal. Compact unit can also be used for punching, crimping, shearing, blanking, forming, drawing. "Flywheel-in-back" design offers safety and does not hinder material feeding from either side. Press is controlled by solenoid operated clutch, single pin, knife-type and can be changed from repeat (continuous) to non-repeat (single stroke) action.

Price: \$299 fob, Clinton (press, complete with brake, 1/3 hp. motor, clutch, control switch). Delivery: immediate.

Alva Allen Industries, Punch Press Division, Clinton, Mo. (P.W., 2/16/59)



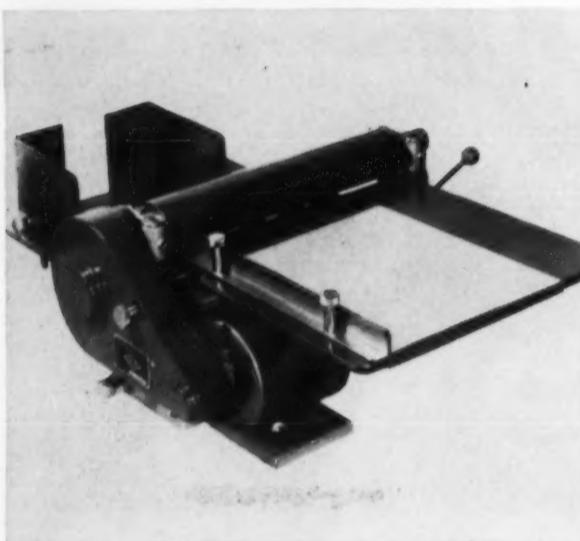
Counter

Uses Planetary Gear

PlanetGear mechanical counter uses a planetary gear drive to rotate the numerals. Uniform low torque turns drums. Smooth rolling action drives counting wheels at continuous high speeds of 1,000 rpm. (10,000 counts per min). Bearings, gears, cams, and rollers are nylon.

Price: \$27.50. Delivery: immediate.

Haydon Instrument Co., Waterbury 20, Conn. (P.W., 2/16/59)



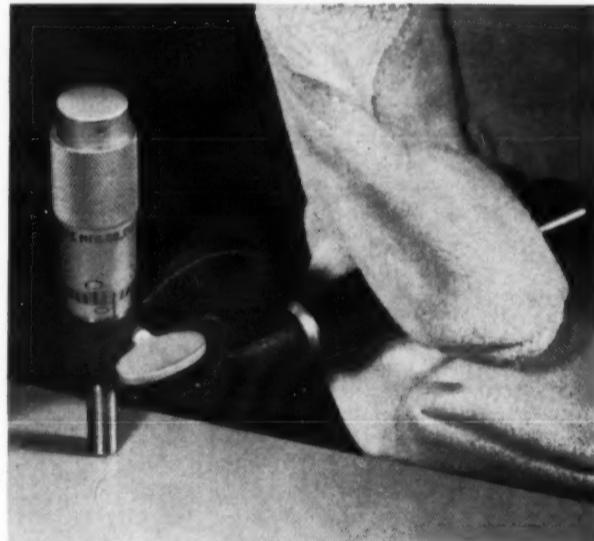
Perforators

5,000 Sheets per Hr.

Perforators can perforate 4,000 to 5,000 sheets per hour. Machines have a device which prevents the paper from creasing or gathering. Machines have perforating, slitting, and scoring units.

Price: from \$365 (bench models see photo), to \$825 (floor model). Delivery: immediate.

American Wood Type Mfg. Co., 42-25 9th St., L. I. City 1, N. Y. (P.W., 2/16/59)



Micrometer

Measures Strip Metal

Rolling mill micrometer No. 18 is designed for measuring sheet or strip metal as it rides off the rolls. Tool has one-inch range by thousandths. It has a plastic handle and large winged locking screw for use while wearing large protective gloves.

Price: \$29. Delivery: immediate.

Brown and Sharpe Mfg. Co., Industrial Products Division, Providence 1, R. I. (P.W., 2/16/59)



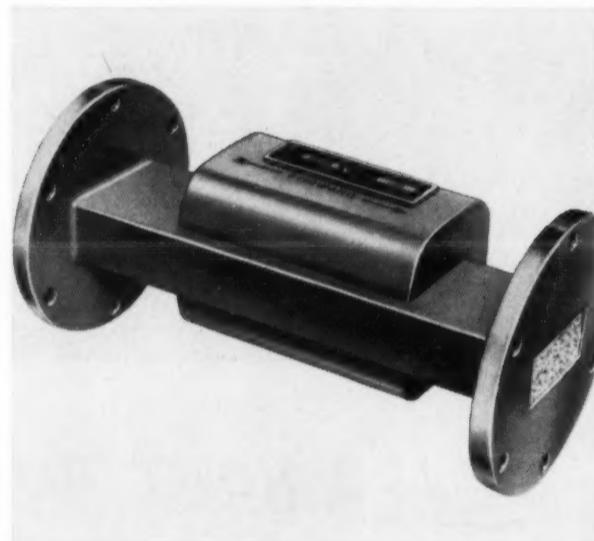
Connectors

Vacuum Tight

Series 5039 flexible connectors serve the purpose of isolating vacuum systems from vibration caused by mechanical pumps and other sources of disturbance. Also facilitates assembly of vacuum systems employed in refining and fabrication of high performance metals, coating.

Price: \$55 to \$125. Delivery: immediate.

NRC Equipment Corp., 160 Charlemont St., Newton Highlands, Mass. (P.W., 2/16/59)



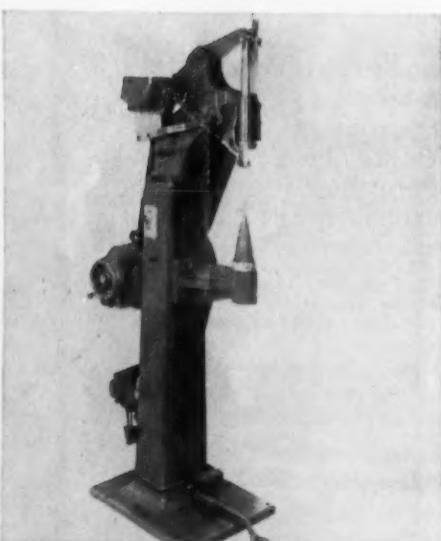
Ferrite Isolators

Rated at 5 Watts

Ferrite isolators are designed to optimize the output from microwave generators by completely isolating them from reflected load signals. Three models cover frequency range from 3.95 to 12.4 kmc. Isolators handle up to 25 w. with only temporary electrical degradation.

Price: from \$220. Delivery: immediate.

Polytechnic Research & Development Co., Inc., Brooklyn, N. Y. (P.W. 2/16/59)



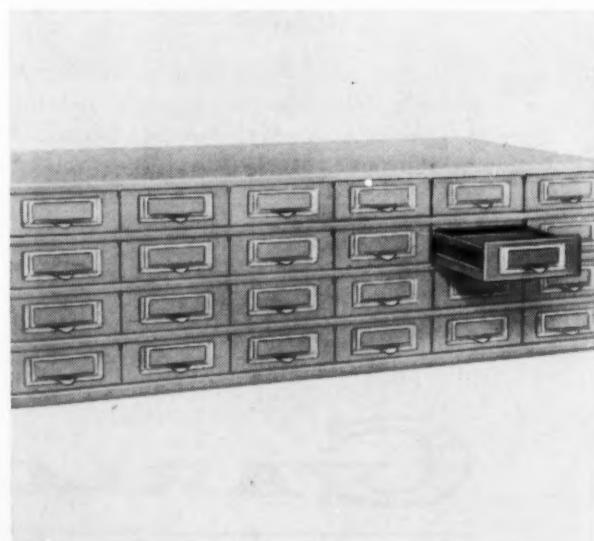
Riveting Machine

Sets Long Tubular Rivets

Model 95 DP riveting machine maintains trouble-free feed and control of long rivets and provides maximum work clearance. Machine will automatically feed and set semi-tubular and full tubular rivets up to 0.260 in. body dia. and 2 1/8 in. length. Center-hung clamping jaws are equipped with rigid arms and secondary leaf springs to control and hold the rivet securely. Standard pair of jaws handle any 0.260 in. dia. rivet from 1 in. to 3 in. in length.

Price: \$1,660 (excluding electrical equipment). Delivery: 4 wk.

Tubular Rivet & Stud Co., Quincy 70, Mass. (P.W., 2/16/59)



Storage Units

For Small Items

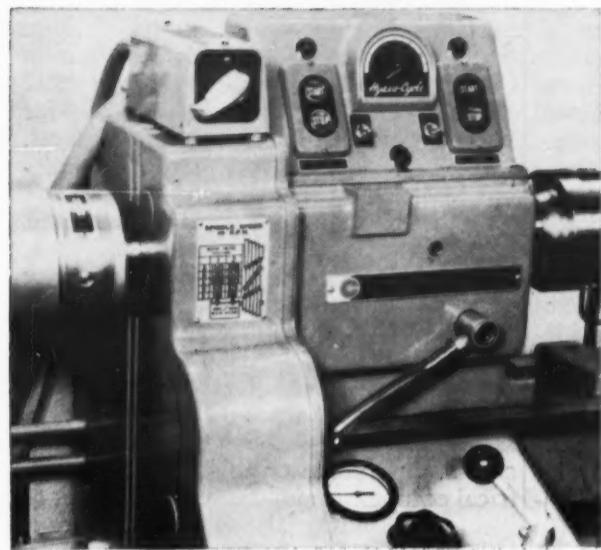
Drawer-type storage units are designed for parts, tools, index cards. They can be used either on benches, tables, counters, or can be placed in standard 36-in. wide, 12 or 18 in. deep shelving units. Each drawer has three adjustable dividers and combination pull and ID card holder.

Price: from \$34.30. Delivery: immediate.

Penco Division, Alan Wood Steel Co., Oaks, Pa. (P.W., 2/16/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Chuck Actuator

Operates Air Chucks

Chuck actuator is a light weight, aluminum, non-rotating air cylinder. It operates air chucks or collets on lathes, grinders, and other machine tools which use a chuck or collet to hold the work-piece. It's mounted on rear end of machine tool's spindle.

Price: \$295 (Model 3A), \$315 (Model 2C) fob. Rockfall. Delivery: immediate.

Powergrip, Inc., Rockfall, Conn. (P.W. 2/16/59)



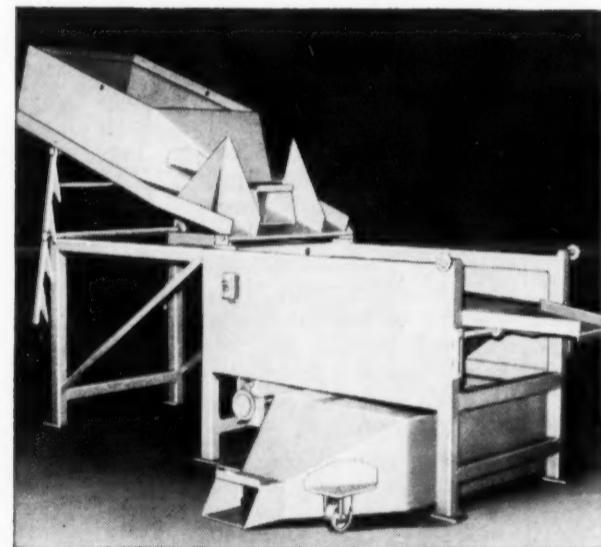
Contactor

Mounts in Any Position

Type 3ARR-8 magnetic line contactor is for central residential air conditioning systems. It can be mounted in any position for applications such as starting and stopping compressor and fan motors and auxiliary heating circuits.

Price: \$3.90 (in lots of 1,000 and up). Delivery: immediate.

General Electric, Appliance Control Dept., Schenectady 5, N. Y. (P.W., 2/16/59)



Screen Separator

Variable Speed Drive

Model SS-3 screen separator is a flexible, heavy-duty machine for fast separation of tumbling media and processed parts. Model SS-3L offers straight through front-to-back operation; SS-3S has front loading and front discharge for small-space installations. Height is 66 in.

Price: \$685 (both). Delivery: immediate.

Rampe Mfg. Co., 14915 Woodworth Ave., Cleveland 10, Ohio (P.W., 2/16/59)



Offset Duplicator

Offers Increased Image Area

Model 360 offset duplicator machine has a duplicating area of 10½ x 16½ in. Machine will duplicate on impression paper ranging in size from 3 x 5 in. to 11 x 17 in. Large image area permits the duplication of 2-up letterheads, full 8½ x 11 in. four page folders, large accounting reports, and engineering drawings. Model 360 can produce up to 9,000 copies per hour. Self-adjusting cylinders allow switch from lightest paper master to metal plate without changing cylinder or roller pressures.

Price: \$3,550. Delivery: immediate. **A. B. Dick Co., 5700 West Touhy Ave., Chicago 31, Ill. (P.W., 2/16/59)**

This Week's

Product Perspective

FEB. 16-22

The control systems industry is still a brand new one. Besides being new it deals with a complex concept: Controlling and instrumenting a process to achieve the best possible performance in relation to the desired end result.

Its newness and complexity leads to a number of problems not previously found in industrial purchasing.

Control systems are essentially custom designed. Even though they may be assembled from standardized components, the components have to work together to meet particular control requirements.

Against this kind of background, you'll find an unusually high caliber salesman. He's got to know about analog and digital computers, servo-mechanisms, feedback theory, logic theory. And he has to be able to relate this knowledge to a wide range of industrial processes.

By the time you are part way through talking to systems salesmen, you'll find that there are as many systems and system costs meeting your specifications as there are salesmen. Make each salesman justify his system. But don't be surprised if what you want turns out to be impossible. This feeling will probably come as each salesman justifies his system and explains why alternate components or ideas won't work.

Your best way out of this dilemma is to work with the reasonable offers. Then you and your company's engineers can pick the bidder's brains.

In selecting a supplier look for these things:

- Standard circuits and components. These will cut the system's overall costs.
- Accuracy, operating ease, and proven reliability.
- A healthy research and development set up. This is a good indication that you are getting the benefits of the latest techniques and components.
- Availability of high-quality service and maintenance.

• • •

These developments will help broaden the application for controls and computers:

• **Punch-card data may be transmitted over ordinary telephone lines.** A new Western Electric system lets the caller insert a card into a small reader alongside his phone. The data on the card are automatically reproduced by a receiver at the other end of the line. There are a number of potential applications: control of materials and supplies between separated facilities, placing long-distance orders to warehouses, inventory control.

System will rent at about \$5 a month for the reader and \$25 a month for the receiver. The units will be made by other companies under license by Western Electric.

• **An electronic vacuum tube operates cold on much less power than conventional filament-heated vacuum tubes.** Still in the development stage, the tube has possibilities in control applications where high reliability is a must. It operates despite extremes of temperatures, radiation, and shock. Power consumed is about 10% of that of filament tubes. The developers, Tung-Sol Electric, Inc., and the Army Signal Research & Development Laboratory, have no production plans at present. Plans will have to wait until enough types of cold tubes have been developed to do a wide range of jobs.

• **New UNIVAC computer performs its functions completely through solid state devices**—transistors, magnetic cores, and Ferractor amplifiers. Because it uses no electronic vacuum tubes, the computer occupies less space than an equivalent computer, and it requires no air-cooling system. Its maker, Remington Rand, will rent it for \$6,950 a month. Purchase price is \$347,500. It's expected to be available June of this year.

• • •

Something to think about: The Russians are making available to U.S. educators a whole line of gadgets that help simplify science teaching. The U.S. has nothing to compare, leastwise in terms of cost. For instance, a \$300 U.S. projector performs its function no better than a Russian projector that costs about \$34 delivered in New York.

What would happen if value analysis techniques and imaginative engineering and production techniques were applied to the American counterparts of the Russian line?

Such techniques would undoubtedly bring costs down—but not far enough. The basic difference between the Russian outlook and the U. S. outlook would still remain. The Russians must mass-produce their gadgets because every school—if it is to do a good job of training its students—must have them.

Your Guide to New Products

(Continued from page 19)



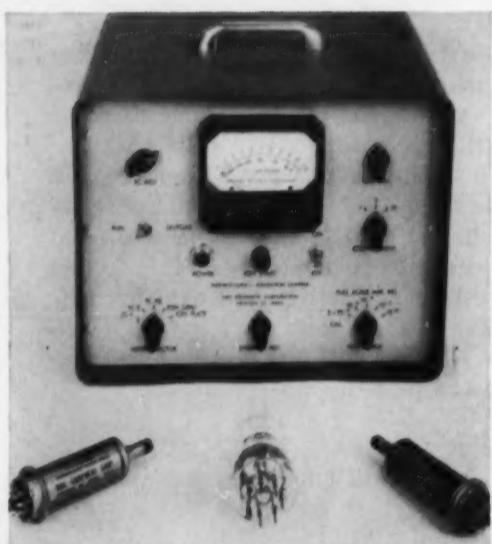
Spring Wire

Made of Inconel X

Inconel X wire is for high temperature components that operate between 650 and 1,000°F. Wire is heat-treatable nickel-chromium, iron, titanium material that can be precipitation hardened. Wire is available annealed from 0.005 to 0.166-in. dia., in spring temper from 0.005 to 0.180-in. dia.

Price: \$6 to \$16 lb.
Delivery: immediate.

National-Standard Co.,
Niles, Mich. (P.W., 2/
16/59)



Thermocouple

For High Vacuum Installations

Model 710-B is a high vacuum thermocouple ionization gage control. Control provides readings from one ionization and two thermocouple gages. Quick-acting protective relay operates when the pressure increases to 1½ to 2 times the scale to which the control is set. It guards the gage against burn-out due to pressure surges. Protective relay also activates a 5-amp., 110 v. relay used to operate alarm or control devices.

Price: \$435. Delivery: immediate.
NRC Equipment Corp., 160 Charle-
mont St., Newton 61, Mass. (P.W.,
2/16/59)



Indicator

For Displacement

Model 300A differential transformer indicator offers a 10-in. panel meter. It gives accurate, large scale indication and recording of linear motion, size, weight, force, pressure. Instrument has a constant current excitation supply and self-checking features.

Price: \$335. Delivery:
immediate.

Daytronic Corp., 216
South Main St., Dayton 2,
Ohio (P.W., 2/16/59)



Ratemeter

Indicates Radiation

SU-3D radiation ratemeter and laboratory monitor is an ac. operated count ratemeter with an attached thin window geiger detector. Variable volume loud speaker gives audible indication of amount of activity being counted. Rear chassis switch allows meter to indicate voltage.

Price: \$370 (standard)
Delivery: immediate.

Tracerlab Keleket, 1601
Trapelo Rd., Waltham 54,
Mass. (P.W., 2/16/59)

Corrections January 19, New Products: Brush Instruments Analog Recorder description on p16 should include this information: Unit meets military specifications MIL-E-4158 and E-4970. Price is correctly stated as \$4,000 to \$6,000. For the correct view of American Designed Components, Inc., Time Delay Switch turn p18 upside down.

Industrial Vacuum Cleaners Offer P.A.'s a Tool for Varied Applications

Both Stationary and Portable Types Have Broad Uses Besides Cleaning in Many Industries, Can Save Time and Money

Cleaning costs are the highest of all building operational costs. A tool to help reduce them is the industrial vacuum.

Purchasing men with a knowledge of what proper cleaning equipment offers can choose the correct type for their particular needs. If the P.A. is to be held responsible for the safety and cleanliness of plant floors, he wants to know the best equipment available to do the job.

Modern industrial cleaners are available in a variety of sizes in both stationary and portable types. They have a complete assortment of cleaning accessories for every requirement.

The stationary type has a vacuum producing unit and a collector centrally located. Dust collecting pipes of small diameter are installed in the walls (In some industrial installations they are attached to them.) and connected to the collector. Hose inlet valves are located in the pipe at convenient intervals. Light weight hose is attached to the valves, and with proper cleaning implements complete cleaning facilities are provided.

The portable type is similar to the tank type cleaner used in homes. Generally the tank is larger and mounted on wheels. Some of these cleaners can pick up water and other liquids.

In selecting a cleaner, a purchasing man should consider the advantages and disadvantages of each type for the job he has in mind.

The stationary cleaner has certain storage benefits. With the vacuum producer and collector permanently located (usually in the basement) there is practically no limit to size or storage capacity. This eliminates time lost in emptying the smaller portable cleaners. Maintenance is low. Aisles and other spaces are free of equipment at the point of cleaning. Overhead structures can be easily reached as stationary cleaners usually have long hoses. But such cleaners can be very expensive; and if installed after building construction, they can be even more expensive and take considerable time.

The portable type is limited in vacuum power and in storage capacity. As they are relatively inexpensive, several can be kept available for simultaneous use and to avoid down time. Sometimes they are adaptable to handling special cleaning jobs or for cleaning in remote areas.

As one purchasing man phrased it, after switching from the old-fashioned broom method of sweeping to the vacuum method of cleaning—"this new tool for industry is a life saver."

The average operator in an office building cleans about 1,000 sq. ft. per hour manually. The same person cleans 1,250 sq. ft. per hour with portable cleaners, and 1,500 sq. ft. with a stationary

vacuum cleaning system. And he'll do a better and cleaner job with the vacuum cleaners. These figures cover the total cleaning time and include, beside floor cleaning, dusting, emptying waste baskets, and other odd jobs. Actually, about one-half the time is spent cleaning floors.

Modern vacuum cleaners offer savings in the cost of cleaning floors, ceilings, and machinery. In manufacturing, they offer a saving by elimination of rejects caused by dust and by reclaiming valuable materials. They also help reduce health and other industrial hazards.

Some applications by industry are:

Power plants—Dust and other accumulations settle on miscellaneous electrical equipment and damage can result to insulation. Industrial vacuums are available for soot removal from boiler tubes. Heat transfer losses caused by a soot layer $\frac{1}{16}$ in. thick can be as high as 20%.

Paper plants—Printing and other paper plants gather a great deal of dust and lint because of the nature of the material handled. In a printing plant it is essential to keep the dust from settling on the printing inks. Generation of dust from cutting knives is unavoidable, but accumulation can be prevented.

Food processing—Industrial cleaners are used for removing spillage around packaging and wrapping machinery. Vacuum cleaners also pick up spilled ingredients around mixers and from torn bags. Vacuum cleaners are the only rapid and effective means of maintaining the high standard of cleanliness required.

Aviation—Usually portable units are used in the factories where planes are constructed and also in routine maintenance. In plane making, units are used for removing loose rivets, washers, and drill chips also for general litter. In plane maintenance the units are used for cleaning cockpit panels, upholstery, and floors.

Foundry—With the great amount of sand used in the molding and cleaning of castings there is a health hazard—silicosis. Many foundries have elaborate systems installed for the collection of dust and dirt from normal operations.

Welding—The welding operation causes acrid smoke fumes which consist of iron oxides and other solids irritating to the nose and throat. This condition is especially apparent where continuous welding is in use. In the continuous welding operation a vacuum cleaner is mounted directly on cranes conveying the automatic welding head, and by means of hoods and hose connections, eliminates the welding fumes.

Textile industry—Industrial vacuum cleaners are essential to remove tremendous accumulations of lint which interferes with machine operation.

Purchasing Week Definition

Some Casting Techniques

Green sand—Most castings are made this way. Sand mixes are weak, fragile, cannot be used with large heavy casts. Bonding agents added to sand or drying mold improves strength.

Investment—Precision casting process, used for complex shapes in metals difficult to machine. Wax pattern is cast from master. Coating of refractory mixed with water or solvent is applied to pattern and baked to harden coating and melt out wax. Metal is poured into resulting cavity.

Shell molds—Phenolic resin blended with silica sand forms mold. Mold is baked to set phenolic. Molds are thin,

hence term shell. Used with same metals as green sand. Can be mechanized.

Permanent molds—Castings are made in metal molds. Used with any nonferrous metal. Good metal structure possible.

Plaster mold—Thin sections, high finish, close tolerances possible. Plaster poured around pattern forms mold. Nonferrous metals.

Die—Molten metal is cast in metal molds on a mechanized basis. Parts often can be used as-cast. Casts aluminum, zinc, brass, magnesium. Part must be designed for die casting. Long runs necessary for economy. (P.W., 2/16/59)

Profitable Reading for P.A.'s

Planning Your Career

Personal Adjustment to Business. By James Gates and Harold Miller. Published by Prentice-Hall, Inc., Englewood Cliffs, N. J. 488 pages. Price: \$7.95.

Every businessman in today's highly complex industrial world must plan and guide his own career with a great deal of skill and foresight. For only through combining long-term goals and immediate day-to-day actions can you hope to give both yourself and your employer the maximum amount of service in the shortest possible time.

This new "how-to" type book can aid you in a general way toward your ultimate goal. It provides those vital everyday hints that often make the difference between progress and stagnation. Career placement, type of occu-

pation, interviewing, and supervisory problems are only a few of the important business "contact" areas which are thoroughly analyzed.

If some of your own problems are in the areas mentioned above, this book may help you on your way to solving some of your business difficulties.

Disogrin, the polyurethane elastomer is discussed in 24-page brochure. Illustrated with graphs, charts, and photographs, the booklet describes the physical, chemical, electrical, thermal, and other technical data on Disogrin. In addition, a comparison of Disogrin's properties with other materials is a feature chart of the brochure. Brochure is available from **Disogrin Industries, Inc., 510 So. Fulton Ave., Mount Vernon, N. Y.**

New line of battery powered, portable and fixed emergency lighting is described in Catalog No. 100. This line includes sealed beam spot lights, searchlights, flashing warning signal lights, roof and pedestal mounted searchlights, car and truck beacons, and many others. Catalog is available from **K-S Marine Products, Inc., Oakville, Conn.**

Both plastic and ceramic foams are described in 20-page brochure entitled "Eccofoam." Technical data is supplied on each product. Reprints of articles describing a variety of uses for the materials are also included. Copies are available from **Emerson & Cuming, Inc., 869 Washington St., Canton, Mass.**

High-capacity, demand-type storage unit is described in Data Sheet No. 573. Included are specifications, capacities, and a description of the storage unit's

operation and application. It also includes photographs to describe the equipment. Copies can be obtained by writing **Gear-O-Matic Division, Michigan Tool Co., 7171 East McNichols Rd., Detroit 12, Mich.**

Special fasteners are described in 8-page catalog. Dimensional drawings, specifications, and important features are shown for the Link-Lock, Hinge-Lock, Spring-Lock, Quick-Lock, Roto-Lock, and Dual-Lock. Catalog is available from **Simmons Fastener Corp., Sales Dept., North Broadway, Albany 1, N. Y.**

"The Nature of Glass" is title of 37-minute sound and color (16-mm, film. Designed for technical audiences, the movie tells the story of glass as an engineering material. Film describes the unique basic structure of glass and illustrates major types of glasses and their characteristics.

"The Nature of Glass" was produced for Corning Glass Works, Corning, N. Y., by Paul Hance Productions, Inc. Film is available on a free loan basis from **Association Films, Inc., 347 Madison Ave., N. Y. 17, N. Y.**

"LO-AIR" tool steel is described in 12-page brochure. Literature contains complete technical data on machining, heat treatment, mechanical, and fatigue properties of the new tool steel. Copies are available from **Universal-Cyclops Steel Corp., Bridgeville, Pa.**

"4 Versatile Office Time-Savers" is title of 16-page booklet. It tells how organizations from trucking firms to hospitals are saving time and money with modern office copying systems. Booklet can be obtained by writing **Business Photo Methods Division, Eastman Kodak Co., Rochester 4, N. Y.**

Meetings You May Want to Attend

First Listing

Sixth International Packaging Exhibition — Olympia, London, Sept. 8-18.

Previously Listed

FEBRUARY

Purchasing Agents Association of Chicago — 25th Annual Products Show, Morrison Hotel, Chicago, Feb. 17-19.

National Canners Association and Canning Machinery and Suppliers Association — Joint Annual Convention and Exposition, Conrad Hilton Hotel, Chicago, Feb. 20-23.

MARCH

The Lighting, Lamps and Electrical Manufacturers Salesmen's Association — 2nd National Lighting Exposition, Coliseum, New York, March 1-4.

American Society of Mechanical Engineers — Gas Turbine Power Conference and Exhibit, Netherlands-Hilton Hotel, Cincinnati, March 1-5.

Los Angeles Chamber of Commerce — 2nd Western Space Age Conference and Exhibit, Great Western Exhibit Center, Los Angeles, March 5-7.

American Management Association — Workshop Seminar, Organization and Management of the Purchasing Department, La Salle Hotel, Chicago, March 16-18.

American Society for Metals — 11th Western Metal Exposition and Congress, Pan-Pacific Auditorium and Ambassador Hotel, Los Angeles, March 16-20.

Purchasing Agents Association of Indianapolis — 1959 Indiana Industrial Show, Manufacturers Building, State Fair Ground, Indianapolis, March 18-20.

APRIL

1959 Nuclear Congress — Public Auditorium, Cleveland, April 5-10.

American Welding Society — 40th Convention and Exposition, Hotel Sherman and International Amphitheatre, Chicago, April 6-10.

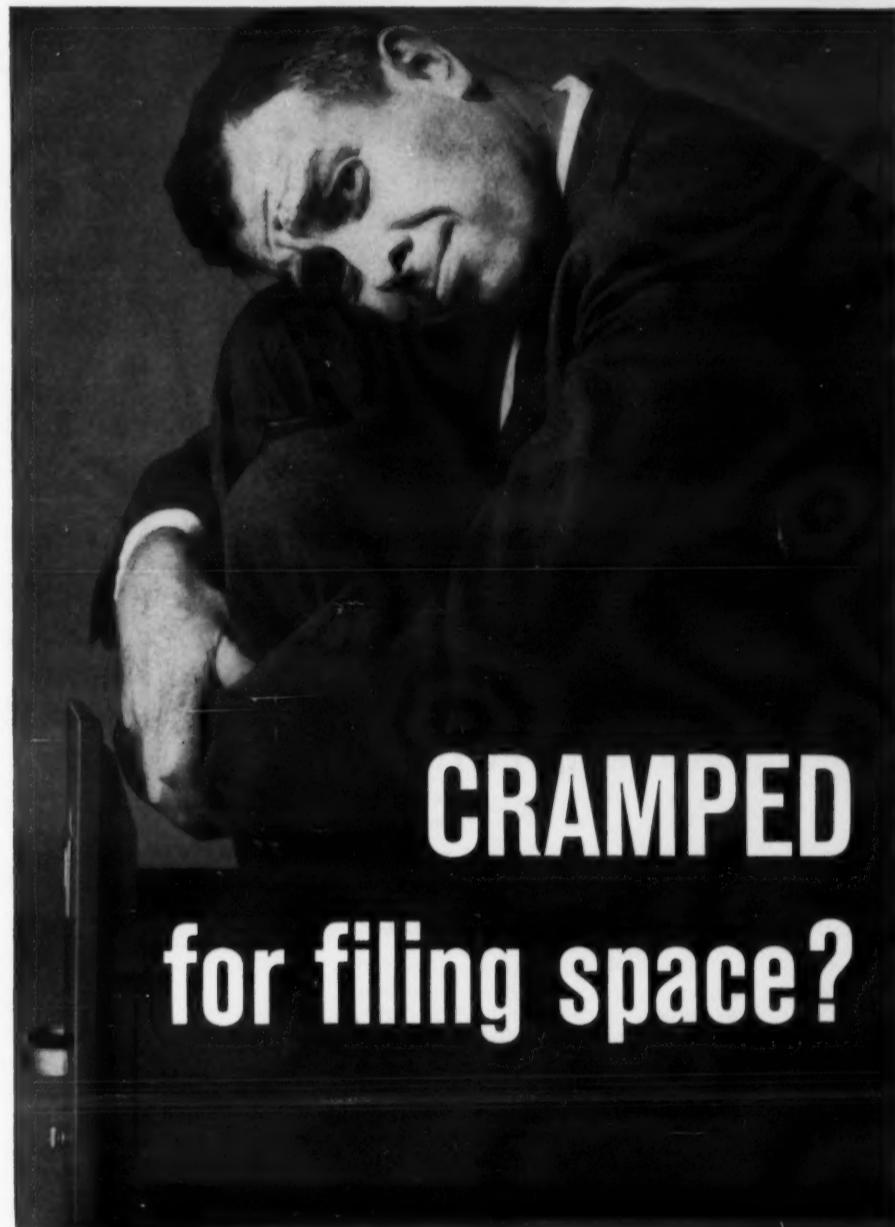
American Management Association — National Packaging Exposition, International Amphitheatre, Chicago, April 13-17.

29th Annual Safety Convention and Exposition — Hotel Statler, New York, April 13-17.

American Society of Tool Engineers — Annual Meeting, Schroeder Hotel, Milwaukee, April 18-22.

Instrument Society of America — Southeastern Conference and Instrument Show, Gatlinburg, Tenn., April 20-22.

22nd Annual Pacific Northwest Purchasing Agents' Conference — Co-sponsored by the British Columbia, Oregon and Washington Purchasing Agents Associations, Olympic Hotel, Seattle, April 24-25.



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Joint Economic Committee Lays Foundations For Inflation Investigations Coming Later

Lawmakers Getting Set for Struggle Between Administration and Democrats on Balanced Budget, Inflation Threat, Other Topics

Washington—The broad political guidelines for this year's congressional showdown on inflation began to emerge clearly last week.

The Joint Economic Committee blocked out the issues in a series of hearings which began two weeks ago. The hearings nominally were on President Eisenhower's 1959 economic message, but it's obvious the lawmakers were looking ahead to the crucial inflation investigations set for later this year.

The Joint Economic Committee is the permanent committee of Congress whose charter gives it authority to investigate all eco-

A number of congressional committees are dealing with the problem of inflation and other aspects of industrial pricing. But Congress' permanent economic pulse-feeler is the Joint Economic Committee. The following story, one of a series discussing current government inquiries into business affairs, tells how, political, economic, and personality conflicts become intertwined on Capitol Hill.

The Editors

nomic matters. The committee was created right after World War II in the same legislation

that created the President's Council of Economic Advisers and requires the submission of a presidential message each year on the state of the economy. This legislation was all part of the Employment Act of 1946 which Eisenhower now proposes to amend in order to make price stability equally important in the law as an objective of national policy.

The Joint Committee, although it cannot write legislation for submission to Congress, enjoys considerable stature. It is given credit for raising materially the level of congressional information and consideration of economic affairs.

Leadership of the committee is highly valued. This was demonstrated this year when Majority Leader Lyndon Johnson made a stab at getting Sen. John Sparkman (D., Ala.) to exercise his seniority and take the chairmanship. Johnson and Sen. Paul Douglas (D. Ill.), who was in line for the chairmanship and now has the job, feuded over civil rights and other matters, and Johnson would rather have had Sparkman as chairman.

Douglas Is Liberal Economist

Douglas is a liberal, an economics professor, and apt to be more independent of his party than Majority Leader Johnson likes.

Douglas and Johnson have agreed that the Joint Committee will undertake a study which Johnson compares, in scope, to the Temporary National Economic Committee studies of the late 1930's.

Johnson's original idea was to have the broad study look into the causes and cures of inflation. This will still be a major concern, but other subjects will be included. It will assess effect of administered prices and impact of wage increases on general price levels. It will take a careful look at the influence of the defense budget on economy. Unemployment will be included. Desirable rates of growth will be examined, and ideas developed for trying to achieve these rates of growth.

Douglas has already started the ball rolling with a series of hearings in which government, business, labor, and academic witnesses gave their views on Eisenhower's economic forecast of a general but unspectacular rise in business this year.

Administration Vs. Democrats

But this was only the point of departure from which the witnesses went on to the bigger question of inflation. After two weeks of spirited sparring, two main positions were marked out for all to see:

- The Administration, with support from business groups, insisted on a balanced budget and lower federal spending to hold back a serious outbreak of inflation. They challenged the Democrats to raise taxes if they went ahead with plans to increase government spending.

- On the other side, Democrats, bolstered by support from



MAJORITY LEADER LYNDON JOHNSON favored Sen. John Sparkman to head Joint Economic Committee. But Sen. Paul Douglas, right, has job.

labor unions and a number of professional economists, downgraded the inflation threat and centered their attention more on why the economy has been lurching along with little overall expansion the past half dozen years.

Douglas met the issue squarely for Democrats by accusing the Administration of engaging in too much "scare talk" about inflation. He claimed that the fear of inflation is "greatly exaggerated" and charged it has been "cooked up" by the Administration partly "because it's the only issue the Republicans have."

The Democratic-controlled committee will reflect this view when it issues its report March 1 on the economic message. Republican members are certain to file a dissenting minority report expressing their views.

Around the two polar themes the issue will be fought out for the next two years as both parties skirmish for the 1960 presidential elections.

Hanging in the balance is an even more crucial question: whether the government will continue to play merely a contributory role in economic expansion or whether it will assume the primary responsibility.

Republicans want to limit its power; Democrats of more liberal persuasion are thinking in terms of expanding its size and power

to provide for greater economic growth to take care of growing defense requirements and the needs of an expanding population. In effect, it is a recasting of the old conservative-liberal viewpoints in the newer Cold War climate.

Milwaukee Road System To Extend to Northwest

Chicago—Piggyback transportation will reach into the Pacific Northwest for the first time next month. The Milwaukee Road will extend its Flexi-Van operation between Chicago-Milwaukee and Spokane-Seattle-Tacoma.

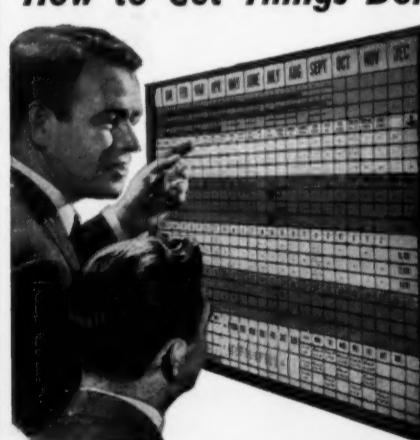
The Milwaukee Road first started this service between Chicago and St. Paul-Minneapolis on Dec. 17. Already it has been expanded to include many other Midwestern terminal points. Through interchange agreements with the New York Central Railroad, firms in the East are now shipping vanloads directly to consignees in the Twin Cities, Omaha, Kansas City, etc. via the Road.

When the service is opened to the Pacific Northwest by mid-March, Flexi-Van shipments will move coast-to-coast on fast, dependable schedules, with the convenience of pick-up and delivery at the terminals.

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Purchasing Takes Over Packaging At Armour & Co., Chicago Packer

Consolidation Extends Department's Authority Over Design and Specifications as well as Buying

Chicago—Armour & Co., the nation's second largest meat-packer, has handed its purchasing division added responsibility over packaging. Now, in addition to buying packaging, Armour purchasing will supervise package design and specifications.

The shift is another step toward bringing purchasing closer to supply management status at Armour. Last year, purchasing was delegated responsibility for supply control.

The latest move was accomplished by consolidating all packaging activities into a new Package Development and Design Department. C. D. Schoby, head of the new department, reports directly to C. V. Short, Purchasing Division's general manager. W. E. Winans was named staff assistant in purchasing to devote full time to special packaging assignments.

3-Pronged Authority Ended

The new department in effect supplants what formerly was a three-pronged packaging operation. Formerly, package engineering reported to the Engineering Division; label design reported to Advertising and Sales Promotion; and food package research reported to the Food Research Division.

Ten persons connected with the various package activities are brought into Short's organization through the consolidation.

"There's no one better equipped to help find new items, new processes, new innovations, than the Purchasing Division," said Short. "It's reasonable that packaging, which is constantly changing, report to purchasing. It's also easier for suppliers to get their message over with one, instead of three, groups to contact."

Packaging accounts for about half of the Purchasing Division's total expenditures at Armour. Types of packages purchased include a wide variety of cans, boxes, jars, labels, drums, foils, films, and casings. Although the division also buys many other items, including materials for chemical operations, it does not buy livestock or meat. This is basically a field unit job, with over-all policy emanating from the Fresh Meat Division headquarters in Chicago.

Twenty-two purchasing officials and buyers report "line" to Short in Armour's headquarters. Functionally aligned to Short, but reporting directly to their

plant managers, are local managers of purchases at some 40 meatpacking and other Armour plants.

Short said the continuing trend toward packaged, as against bulk packed meat, would undoubtedly mean still greater emphasis on various phases of packaging activity in years to come.

Carpenter Steel's New Lab Tests Steel Faster

Reading, Pa.—Carpenter Steel Co.'s new metallurgical control laboratory, right, will speed testing of steel five times faster than the old system. This is made possible because all equipment is now centralized and located above the wire mill.

Testing was formerly done at the main metallurgical laboratory situated a good distance from the high production areas. The main laboratory will work exclusively on research and development.



How these "educated" steels make products behave better

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Colorado Oil & Gas Buys Pressure Gage Company

Skokie, Ill.—Intensifying its diversification program, Colorado Oil & Gas Corp., Denver, has purchased James P. Marsh Corp. here.

The Marsh firm is a large manufacturer of indicating pressure gages with offices in Houston, Texas, and Edmonton, Canada. Colorado Oil & Gas is primarily in drilling, production, refining, and marketing of petroleum products.



SENDING—Engineer after telephoning receiving center can send data through compact card reader. He can use punched cards or numbered pushbuttons.



RECEIVING—Girl puts equipment on telephone line by throwing a key. This connects sender to standard business machine card punch in the background.

Western Electric-Developed Desk Device Saves Paperwork in Buying Procedures

New York—A long distance telephone call may soon be the substitute for certain types of purchasing paperwork. Western Electric has developed a desk-size device which can transmit via ordinary telephone circuits much of the time-consuming detail involved in inventory control, ordering, and other purchasing and business procedures.

The 6½-lb. mechanism, about the size of a 10-key adding machine, operates in conjunction with the telephone company's dataphone service (transmission of data over regular phone facilities). The "gadget" feeds data from 3½ by 2½ in. punched cards via telephone lines directly to a highspeed data processing center with no intermediate steps or duplication.

It was developed by Western Electric to simplify its complicated task of taking and filling 500,000 orders monthly from various phone companies and other locations throughout the country. Thus orders from points hundreds of miles distant can be received at a central point with the ease of any telephone call, the inventors claim.

Closely watching upcoming field trials of the device is Western Electric's own purchasing department. It is anxious to apply this "remote input data device" system to simplify W. E. purchasing operations.

In working to replace a long, tedious written order setup with a speedy, error-free method, Western Electric engineers hit on the idea of using ordinary

telephone lines as the simplest and least costly. The device they developed adds multiple access, unlimited by distance, to high speed computations.

Hooked up to a regular telephone outlet and a dataplate subset (about the size of a king-size pack of cigarettes), the device works this way: After dialing data headquarters, the operator inserts an identification card into the transmitting device's card-reader. Then he inserts order cards corresponding to items desired. Quantity of each item is transmitted by pressing numbered keys on top of the ordering device.

The system thus moves input of data supply orders, sales details, employee records, etc. away from the data processing center to hundreds of distant originating points. Moreover, it permits information formerly mailed to be dispatched via phone with a substantial saving in time. Information flowing from the low-cost transmitters is recorded automatically on paper tape or punch cards, then transferred directly into the processing machines.

Answer to a Problem

Western Electric sees its device as an answer to the large computer system problem of assembling, reprocessing, and checking manually all data before insertion into the computer.

Only about 30 seconds instruction is required to operate the input data device which utilizes an instantaneous error free mechanism designed to reject inaccurate cards. Excessive ordering is prevented by setting minimum and maximum quantities and sending stations are identified on the transmission cards.

Western Electric sees its system as an aid not only to purchasing but to salesmen, credit card users, and all types of businessmen with multi-point types of operations.

Stromberg Time Corp. already has a somewhat similar device for in-plant operation on the market. Stromberg Time's Transactor System is a four-part

mechanism which feeds data material instantaneously and automatically into a data processing center through an electronic unit.

The operation includes: creation of input media, transactor or transmitter, compiler, and data processing center. Stromberg Time says anyone can learn to operate the device in less than five minutes.

Cost of the Transactor system is put at \$95 a month maximum for each Transactor station and \$450 a month for compilers.

Hercules Powder Buys Young Development Lab

Wilmington, Del.—The Hercules Powder Co. has entered the filament wound glass-fiber reinforced plastic materials field with the purchase of Young Development Laboratories, Rocky Hill, N. J.

Young Development has been working with Hercules on rocket motors for solid propellants for almost ten years, using glass-fiber reinforced plastic. Hercules feels the new structural material has a potential in a wide variety of industrial uses.

Westinghouse Electric Buys Heller Elevator Co.

Pittsburgh, Pa.—Purchase of S. Heller Elevator Co., Milwaukee, will give Westinghouse Electric Corp. facilities to expand its elevator and electric stairway services by three states.

Heller, a sales and service organization, will act as the center for Westinghouse operations in Wisconsin, Michigan, and Minnesota.

May Enter Metals Field

St. Louis—The Universal Match Corp. will enter the metals field if its plan to acquire S. G. Adams Co. of St. Louis, metals manufacturer, is approved by stockholders.

PURCHASING WEEK

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Helex Co. to Build Plant To Process Helium Gas

Omaha, Neb.—The first private industrial company formed to extract helium from natural gas will begin construction as soon as possible on a \$13.5 million extraction and purification plant near Sunray, Texas.

Natural Gas Co., Omaha, and Air Products, Inc., Allentown, Pa., organized the new firm, Helex Co. The concern expects to process 260 million cu. ft. of helium a year.

Last September, the government said it wanted to rid itself of the long-term monopoly in helium because the need for the gas was growing rapidly. Interior Department's Bureau of Mines now produces all the helium in the Free World.

The last government contract for the construction of a helium producing plant was issued last November for a facility in Cimarron County, Okla. The Bureau of Mines approved a \$12 million plant to supply 290 million cu. ft. of helium annually.

Div. Changes its Name

New York—Union Carbide Corp.'s program to link all its divisions by name has moved another step toward completion. Electro Metallurgical Co. now becomes Union Carbide Metals Co.

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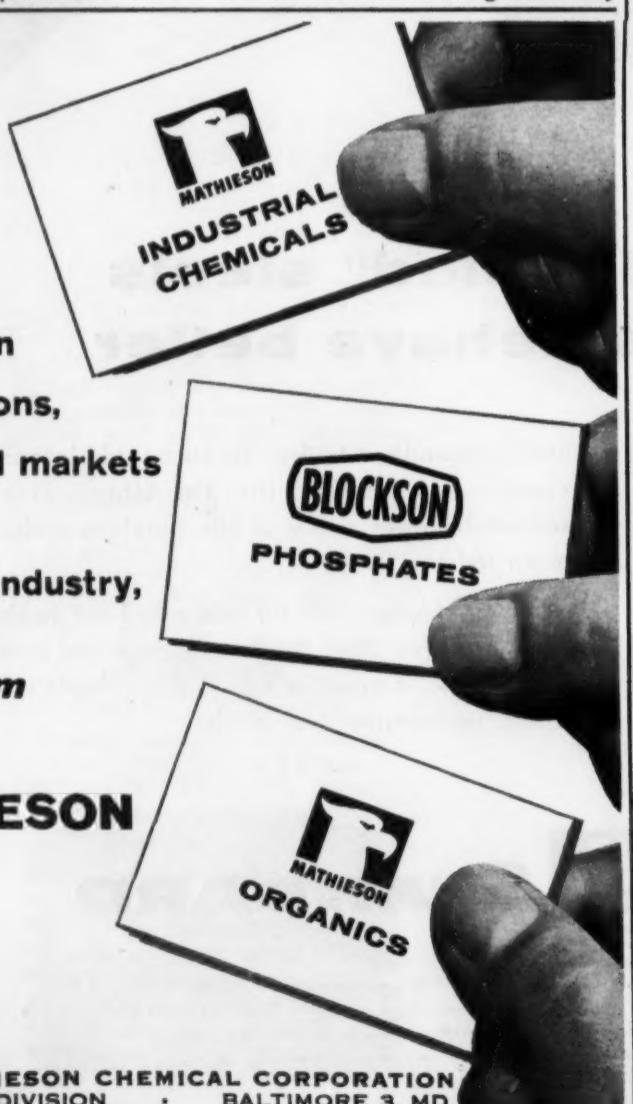
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Purchasing Perspective

FEB. 16-22

(Continued from page 1)

Textiles are next. Spreading pay hikes among non-union workers average about 7%, and mills cautiously, but surely, last week began posting higher prices on a broad range of products.

In addition to labor costs, governmental tax demands on state and local levels also are seen as factors influencing retail tags, especially where sales and other excise levies are enacted.

But all this still does not knock the consumer out of contention entirely. Some analysts see strong counterforces at work. The Federal Reserve Bank of New York notes, for instance, that catalogue price reductions by large mail order firms, publicized plans of some retailers to at least try to hold the line, and the relatively strong showing of economy cars "all suggest that the consumer is expressing his resistance to higher prices in the market place."

The bank concludes, however, that the ultimate "outcome may well hinge" on soon to-be-made critical policy decision at both public and private levels. The consumer plays a key role, to be sure; but business and labor both must adopt more aggressive policies to obtain high volume at lower prices for the nation to attain "its full potential for economic growth."

Pittsburgh Plate Glass strike sharply defined dangers of single supplier dependence. Many in auto industry now are betting that Chrysler will seriously consider creation of its own glass fabricating facility. Other flat glass buyers, who experienced practical lessons in pros and cons of foreign buying, are cheering plans of French-controlled St. Gobain Corp. to build a \$40 million flat-glass producing plant in the U.S.

Trends: Railroads fired an early round in the labor negotiations upcoming this fall. Admitting their stand might raise possibility of rail strike, American Association of Railroads' president Daniel Loomis told shippers meeting last week rails will make determined stand this year to rid industry of costly "featherbedding, make-work" rules. . . . Foreign trade experts of National Cotton Council warn that Russians are pushing tremendous amounts of textiles into Free World markets at 10-20% below going world market prices. . . . Chase Brass & Copper announces first commercial production of rhenium, a more-costly-than-gold space age metal, in fabricated rod, wire, and strip form. Lab curiosity for three decades, rhenium, at \$680 a lb., is sought for use in missile controls because of its high temperature capacities.

Steel Probes Set for West Coast

(Continued from page 1) Pacific, and Kaiser—plus independent fabrication.

Although to be limited initially to the West, the inquiry is apparently the first move in a U. S. Department of Justice thrust at the steel industry, which already has come under congressional fire for its pricing policies. (P.W., Feb. 9, p. 1).

The San Francisco antitrust office recommended the investigation because it had received so many complaints about "various restraints" from steel fabricators in the West during the past several years. Backgounding the grand jury inquiry are four major civil antitrust suits which ask a total of some \$35 million in damages against major steel companies in the West. While scheduled for pre-trial hearing next month in federal district court here, they are separate from the grand jury investigation, federal officials said.

Accusers of the major steel companies on unfair competition and monopolistic practices are: Independent Iron Works, Inc., Oakland; Johnny R. Austad Co., Tucson; Beall Pipe & Tank Co., Portland; and Uniform Steel Co., Montebello, Calif.

Most vocal of the complainants has been Independent Iron Works, which won an out-of-court settlement from Columbia-

Geneva and Bethlehem Pacific in an earlier suit. Attorneys for Independent Iron claim that Western independent fabricators suffer not only when steel is short, but also in periods of surplus.

They argue that when steel is relatively abundant, captive fabricators can cut profits next to nothing, operating pretty much on profit from the sale of raw materials. This, the charges allege, makes it impossible for independents to compete.

Thus in periods of scarcity, independent fabricators claim they are again penalized because the steel companies use the previous periods for base years when establishing allocations.

Although the plaintiffs make some pretty sweeping charges, their views are not unanimous.

The president of one major independent fabricator in the San Francisco area agreed that the major firms' fabricating facilities offer tough competition and had an undeniable advantage in securing steel during scarce periods. But he shrugged off the problem as "the nature of the business."

Another Los Angeles company president said he considers inequalities in the steel business as "a fact of life and I accept it," preferring to spend his time "making a living, rather than in court."

Auto Companies Seeking Glass; Others Hit

(Continued from page 1)

Secrecy played a major role in efforts of auto P.A.'s to protect still available sources. Stratagems which turned up fresh supply sources could have dissipated completely if they became widely known. One factor was wariness of union action, including the threat of a sympathy shutdown if, for example, Chrysler was caught buying glass from one of the Ford plants.

No Problems for G.M.

General Motors has no problem because it buys from Libbey-Owens-Ford, which settled with the United Glass and Ceramic Workers union two weeks after the general walkout began last October. Pittsburgh Plate, which took 129 days to work out a new agreement with the union, would not settle because of deep-seated differences over employee work standards. Between them, Pittsburgh Plate and Libbey-Owens-Ford turn out an estimated 90% of domestic plate glass and some 66% of all domestic window glass.

Ford Upped Production

Ford, before the strike, supplied about 75% of its glass requirements from its own facilities in Dearborn, Mich., and Nashville, Tenn. Pittsburgh Plate furnished the rest.

Faced more with a manufacturing than a purchasing problem, Ford's first step was to increase production at its two plants. Next it reactivated its St. Paul plant shut down about a year.

With its glass-making operations stepped up all along the line, Ford's only real shortage was tinted glass which Pittsburgh formerly supplied.

Studebaker, which already has built as many Larks as its entire 1958 model run, was lucky. Formerly a 40% customer of Libbey-Owens-Ford, it is now reported to be a 100% customer and anticipated no glass shortage despite the fact its monthly production rate is nearly seven times that of a year ago.

American Motors, on the other hand, faced a day-to-day situation, especially with sales up a whopping 180%. Purchasing director James Lee's agents have been scouring the world for raw glass. It is coming in now by the boatload, particularly for fabricators.

Purchasing Week Editors Address Foreign P.A.'s

New York—Three of PURCHASING WEEK's editors last week spoke before a group of supply managers and purchasing agents from abroad. In the picture at right, Price Editor Robert Reichard tells how economic indicators can be made to influence buying decisions. Other speakers were Products Editor Joseph A. Cohn and Assistant Management Editor John Baxter. Cohn outlined the theory and practice of value analysis while Baxter explored the concept of materials management.

The 26 members of the group came from 15 different countries. Their meeting with P.W.'s editors was part of the program for the Eighth International Workshop in Supply Management sponsored by the International Cooperation Administration.

Apolonio Adriano of the



WE HOPE HE'LL BE BACK SOON is the wish of the auto industry. The man works on windshields for Pittsburgh Plate Glass, now on strike.

cation in Canada. Time, a big penalty in importing glass, was on his side for he moved fast and early.

Report Ford Help

It has been reported that substantial quantities of A. M. C.'s raw glass imports have been fabricated for him at Ford Motor plants, but no one is talking. A. M. C. people also were keeping mum on methods used to solve complicated custom tangles resulting from fabricating European glass in Canada and importing the finished product via Milwaukee.

Chrysler, fat with glass inventories left over from its own strikes last fall, grossly underestimated the duration of the Pittsburgh walkout. It limped along with only token output while its purchasing men tried to find sources not already fully committed by A. M. C.

Permitted to Move Dies

Several weeks ago, Chrysler obtained court authorization to move its dies out of Pittsburgh Plate's western Pennsylvania plants. Like A. M. C.'s, these now are scattered across this country and Canada in plants of various fabricators.

The National Association of Furniture Manufacturers said the case goods field—bedroom furniture, etc.—was beginning to strain, especially where mirror glass was concerned. A spokesman for the Glass Tempering As-

sociation estimates domestic mirror production was down about 50%; a number of firms have shut completely.

The National Combination Storm Window and Door Institute says manufacturers, especially on the East Coast, who usually bought imported glass have maintained usual supplies. Some but not all prices have increased from 5 to 10%. Domestic prices also have risen 5% since Jan. 1.

Tentative Settlement

Tentative settlement of the strike was reached last Wednesday by Pittsburgh Plate and union negotiators meeting with Federal conciliators in Philadelphia. Terms were not revealed, pending ratification votes this week by 13,000 company employees in nine Pittsburgh Plate plants.

The company said that if the vote is favorable, production of glass would resume within a few days after the employees return to work because furnaces had been kept heated throughout the entire tieup. Chrysler auto production presumably will take a longer time to get started again because dies must be returned to the Pittsburgh glass plants and subsequent deliveries made to auto production lines.

Wages were not an issue in the strike. Agreement on increases of approximately 8¢ an hour were made before the walkout began last Oct. 6.

Philippines had this to say, "We came to this country to develop knowledge of organization and methods in supply management. Your concept is different from ours. But we have learned many things that will be very useful at home."



PRICE EDITOR ROBERT REICHARD holds the rostrum as he explains to a group of visitors from abroad how to use economic indicators.

Price Changes for P.A.'s

Tin Oxide—Prices of tin oxide are up 1¢ a lb. lots of 100 and 400 lb. drums are now \$1.095 and \$1.085 a lb. respectively.

Valonia—Valonia cups are down \$4 to \$66 a ton. Valonia beards are down \$3 to \$85 a ton.

Photographic Papers—Eastman Kodak Co. has raised prices of most black and white photographic papers by about 10%, effective March 2. "Reasonable" orders made before that date for delivery afterwards will be honored at the present price.

Cobalt Oxide—A drop of 19¢ a lb. has been made in Cobalt oxide prices. New quotes are \$1.29 a lb. for 70-71% material and \$1.33 for 72½-73½% material.

Textiles—Upcoming wage increases at Southern mills have caused a strengthening in textiles. Prices of cotton duck fabrics are up 3-4%. Dacron cotton batiste fabrics are up ½¢ to 48¢ a yd. Industrial cloth, 59-in., 1.85 yd drill is up 1¢ to 38½¢.

Cone Mills has boosted "suede-type" cotton cloth by 1¢ a yd. Prices now range from 32¢ to 37½¢ a yd.

Lumber—Northwest producers have boosted ¼-in., sanded grade plywood by \$4 a thou. sq. ft. New price is \$80 a thou. sq. ft. Unsanded plywood is also up some \$4 a thou. sq. ft. over two weeks ago. Unsanded grade ½-in. lumber is now \$106 a thou. sq. ft. Expected demand boosts are reported responsible.

Oxalic Acid—Charles Pfizer & Co. has cut oxalic acid packaged in new fiber drums by ½¢ a lb. 100-lb. bags are now 18¢ a lb. in 10,000-lb. lots, while smaller lots are available at 18¾¢ a lb.

Transistors—Raytheon Manufacturing Co. has cut prices on six types of transistors by 5 to 20%. Reductions are on high frequency type transistors.

Tangarin Oil—A boost of 50¢ a lb. in tangarin oil puts prices at \$3.75 to \$3.80 a lb.

Aluminum—Price cuts of 10 to 14% have been made by Kaiser Aluminum & Chemical Corp. on its line of aluminum conduits.

Theobromine—A boost of 10¢ a lb. puts theobromine at \$3.35 a lb.

Crude Oil—Ohio Oil Co. has cut its buying price for Pecos County, Texas, crude oil from 7-28¢ a bbl. Price of 40-gravity and above crude has been reduced to \$2.95 a bbl down 7¢. A 28¢-a-bbl. cut puts 20-gravity and below crude at \$2.32 a bbl.

Amine-Borane Compounds—Callery Chemical Co. has announced immediate price reductions on three Amine-Borane compounds. New lower prices per pound, in 100-lb. lots are: Pyridine-Borane \$14.00, Dimethylamine-Borane \$20.00, and Trimethylamine-Borane \$22.00. Purchased in lots of less than 100 lb., prices range to \$1.50 a lb. more on each compound. All prices are f.o.b. Calery, Pa.

Lead—A ½¢ a lb. price cut was announced by lead producers and custom smelters. It puts the price at 11½¢ a lb. and is attributed to poor domestic demand and a widening spread between U.S. and London quotations.

Copper Sulfate—A boost of 2/5¢ a lb. in monohydrate copper sulfate in drums put the price at 22½¢ a lb.

Can Maker's Policy Starts 'War'

(Continued from page 1) "approach" to can prices effective Jan. 1. Continental and National, along with other can makers, received the news unenthusiastically, but stated they would remain competitive.

While can companies had been maneuvering prices since mid-1957, tags were generally considered firm. Now, according to one top industry source, "There is no longer any remnant of price stability left in the can-making industry, regardless of who denies what."

As far as customers are concerned, brewers seem to be among the happiest of the bunch.

"This situation is helping keep down the price of beer and makes for good business as far as I'm concerned," was the comment of R. J. Schaefer, president, Schaefer Brewing Co., Brooklyn. "I'm happy about it."

W. D. McAfee, general sales manager for the Burgermeister Brewing Co., San Francisco says the price reductions came just in time to help the company absorb increased labor costs.

But other can-users, including a few smaller brewers, are complaining vigorously about "undue competition" developing

in their industry since the price maneuvering began. One explained it this way:

Canco's new policy (P.W., Nov. 24, p. 1) eliminated the long standing method of averaging prices over broad geographical areas east and west of the Rockies by establishing a separate f.o.b. price at each plant for each type and style of can. (The company also asserted it would hold the line on prices for nine months except for any necessary steel price adjustments.) Under the new f.o.b. system the closer a company is to a can plant, the less it supposedly pays. However, critics of the system claim it creates a hardship on firms most distant from the producing plant but which must do business in the same market as competitors located closer to the Canco site.

Continental and National view themselves as unwilling battlers in the fight. The Canco chief says only that "it's too early to tell" what will happen. On the other hand, Joseph Wharton, president, National Can, is quite outspoken.

"I'm forced to ride along with these price cuts to stay in business," he declares.

Electrical P.A.'s Ignoring 'Buy Now' Advice

(Continued from page 1) continuing "gradual" upturn accompanied by a similarly gradual swing up in order placement during 1959.

Sales representatives of three leading producers of transformers and other generation equipment said in informal conversations that they have seen no immediate signs of a major move back into the capital goods market.

"Not too many P.A.'s are listening" to advice that now is the time to buy heavy equipment to avoid a rush 18 months to two years from now, the vice president of one manufacturer said.

He forecast 1959 as a continuation of a "buyer's market," but with more interest developing in the fall "if industrial capacity holds up."

Could Tighten

The same manufacturers expressed confidence, however, that should a few major utilities change their minds and move back into the market, it would tighten up quickly. General Electric, it was noted, already has indicated a pickup in heavy equipment ordering in recent weeks.

The P.A. for one large Ohio utility agreed that perhaps a measurable upswing in electrical buying is in the offing.

"Utility buying follows business cycles," he said, and "this is about time for an increase in those purchases."

But on the other hand, the chief P.A. for another large Midwest firm said his "plant facilities had outstripped immediate

needs." He said he "might get into the market next year or in 1961, but this year I have plenty."

Another utility P.A. added: "About the only thing I'm placing orders for is steel pipe to offset a possible shortage if there's a strike."

More Than 700 Register

More than 700 utility buyers and manufacturers' representatives registered for the two-day session which continued without serious disruption despite the deadly tornado which blew into town early on the morning of Feb. 10. Key speakers stressed the importance of long-range planning in purchasing.

J. M. McAfee, president of St. Louis' Union Electric Co., warned against dealing with suppliers that "can't make money and keep strong."

"We don't want fly-by-night, cut-rate suppliers looking for the short range gain," McAfee said. The long range aspects of the utility business, he emphasized, require long range associates.

Factors Other Than Price

J. L. Singleton, Allis-Chalmers Manufacturing Co. vice president and president of the National Electrical Manufacturers Association, stressed that evaluation of a purchasing situation requires consideration of factors other than price. He also urged utilities to assume part of the responsibility for research and development that make technical progress possible for the industry.

Highlight of the opening day's program was a four-member panel discussion of purchasing techniques. Centralized vs. decentralized purchasing departments also was discussed from both points of view.

PURCHASING WEEK conversations with various purchasing directors indicated a leaning toward centralized buying. Those favoring it stressed the advantages of closer buying control for greater efficiency and economy.

Joseph B. Homsher, Gilbert Associates, Reading, Pa., was elected chairman of the buyers group for 1950-60. He succeeds Robert H. Sperring, Union Electric Co., St. Louis.

Alabama Checks Prices Other State P.A.'s Pay

Montgomery, Ala.—To determine if Alabama is getting the best out of purchasing, Gov. John Patterson has ordered the State Finance Department to check prices paid by other states.

Patterson thus joins other state chief executives who are seeking ways to get more out of the purchasing dollar (P.W., Jan. 12, p 1).

State Finance Director Charles Meriwether and Chief Examiner Ralph Eagerton discussed the problem with Patterson several weeks ago. Both men have agreed to assist in the survey.

The study will determine if the state is buying supplies and other material at prices comparable with those paid by other states, Patterson said.

Industrial Buying May Shift Fed's Credit Policy

(Continued from page 1) latest test survey of buying plans (P.W. Feb. 9, p. 1) indicated a slight upward trend of inventories during the first three months of the year. The survey was conducted almost three months ago, and Fed experts point out that American businessmen oftentimes change directions quickly.

Under particularly close watch is the steel buildup which began accelerating in mid-January and was continuing at full steam last week.

Also being watched are two other factors that have a pronounced effect on the short term money market: business spending on capital plant and equipment and consumer purchases of goods on credit.

A stepup in any of these three areas could set the other two to moving, thus forcing competition among them for loan money. And if the three start moving sharply together, it could bring about serious credit market disruptions.

What makes the situation so volatile is that the money market is now delicately balanced between short term and long term demand for credit. As soon as one group lets up in demand, the other group steps in. As a result, interest rates are holding at firm levels.

Bankers believe a number of companies are readying plans to step into the market when they feel the time is right. Many won't be able to hold back much

longer in hopes that interest rates will go down and will have to start moving to keep up with the rise in business.

An indication that more are stepping forward and that the money market already is showing a little tightening already has come from New York bankers.

R. E. McNeil, Jr., president of the Hanover Bank, recently stated he detects an "atmosphere" for a discount rate boost and expects "very firm" interest rates for 1959. John J. McCloy, chairman of the Chase Manhattan Bank, told a stockholders meeting he expects to see a buildup in demand for credit with the Federal Reserve maintaining a tight money market.

PURCHASING WEEK found bankers in other cities throughout the country thinking along the same lines.

Boston Banker Alfred S. Woodworth of the Second Bank-State Street Trust Co., seeing the possibility of an interest rise during the next few months, said: "People are betting on better business. Corporations will have to borrow more money."

In Dallas, a spokesman for a leading Texas bank expects interest rates to rise again in the next few months.

On the West Coast, small companies are paying 5-5½%, with prime rates on short term business loans (60 to 90 days) at 4%. A spokesman for the Wells Fargo Bank at San Francisco said: "It looks as if demand will be active enough and large

enough in 1959 to force a further tightening of money."

In the Midwest, the feeling is that business interest rates will go up, but for the moment "we're holding our own," according to a leading Chicago bank official.

What happens in New York will be a deciding factor in Atlanta, according to Citizens and Southern Bank President Mills Lane. But for the moment, he expects no change in interest rates on business loans for the next six months.

Several other factors also are complicating the money market. The Federal Government will sop up a good chunk of loan money by financing the big federal debt of some \$12 billion for this fiscal year. A rise in the rate of home building and construction projects would significantly affect money demand. Congressional programs to step up spending further also would have an important psychological effect.

All these pressures are on the up side, and Fed officials see no force at work to push interest rates in the opposite direction.

One force that has kept interest from rising so far is the large backlog of savings that business and consumers socked aside last year during recession uncertainties. Fed officials doubt that savings will be anywhere near as much this year as last.

They are buttressed by a number of mutual savings bank officials who see little rise in savings, believing that consumers will spend their money.



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